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FINANCIAL TIMES
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NEWS SUMMARY

GENERAL

Saudi troops go on alert

Saudi Arabia cancelled all leave for its 60,000 armed forces in response to the Yemeni border conflict.

The announcement by Prince Sultan, Defence and Civil Aviation Minister, underlines the anxiety with which the Saudi government regards the threat to the stability of the region, and to the moderate regime in North Yemen.

Saudi has also told Lebanon that it will recall its 1,200-strong contingent assigned to the Arab deterrent force there. Back Page 3; Editorial comment Page 34

Treasury leak inquiry ordered

The Government has ordered a top-level inquiry into the leak of a Treasury document showing that seven job-saving projects would involve the country in losses of up to £800m. Pressure was growing for the report to be debated in the Commons. Sir Geoffrey Howe, Shadow Chancellor, accused the Government of buying votes at the risk of creating problems for the next Tory government. Page

Peace deadline

President Carter will devote another 10 days to the Middle East peace issue. If a settlement is not reached by then, the U.S. will decide on a new regional policy, according to Israel Foreign Minister Moshe Dayan. Back Page

Tapping verdict

High Court judge has ruled that the tapping of antiques dealer James Malone's telephone was legal. Sir Robert Megarry said it was a matter for Parliament, not the courts, which cried ...

Smith attack

Rhodesian Prime Minister Ian Smith criticised the UK's "decadence and decline" in a speech marking the end of the country's white-dominated Parliament before the one-man, one-vote elections in April. Page 2

Arms talks

Foreign Secretary Dr. David Owen said there was no quick way to reduce forces in Eastern and Western Europe. He was speaking after two days of talks with West German Foreign Minister Hans-Dietrich Genscher.

Afghan aid cut

President Carter is cutting economic aid to Afghanistan this year from $15m to $3m, following the killing of U.S. Ambassador Adolph Dubs.

Briefly . . .

Three executives of the Weisscredit Bank, Lugano, Switzerland, were jailed for up to six years for fraud, after losing millions of clients' money.

Six young people died when their car swerved off the road near La Estrada, Spain, and plunged into a river.

Lieutenant-General Sir Anthony Farrar-Hockley has been named new commander of NATO forces in northern Europe.

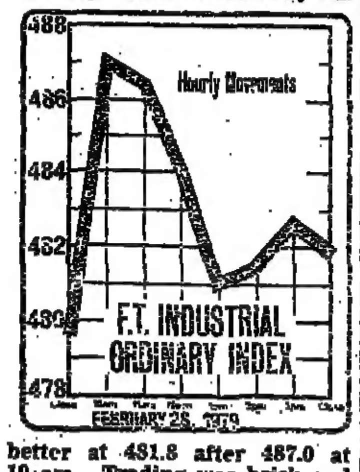
China and the U.S. formally exchange ambassadors today.

Six members of Greenpeace, the environmental group, chained themselves to the masts of a Norwegian sealing vessel about to set sail for Greenland. They were put ashore and arrested.

BUSINESS

Equities active; Gold up $4

● EQUITIES began the day with noticeable gains sparked by institutional interest. But after a reaction aided by mounting Middle East tension, the FT ordinary index closed only 2.2 better at 481.8 after 487.0 at 10 am. Trading was brisk and official markings were their highest since September 19, 1977.



● GILTS made gains of 1½ in longs and ¾ in shorts and the Government Securities index rose 0.66 to 70.60, its highest since last September.

● STERLING gained 10 points to $2.0235 and its trade-weighted index remained at 64.3. The dollar's depreciation widened to 8.3 per cent (8.2).

● GOLD rose $4 to $251½ in London.

● WALL STREET was 1.04 up at 808.04 just before the close.

● U.S. TRADE deficit in January widened to $3bn, compared with $1.75bn in December. U.S. Commerce Department reported, although the figures have been affected by a new form of seasonal adjustment. Back Page

● PUBLIC SECTOR borrowing estimates for 1979-80 have been challenged as being too pessimistic by both the London Business School and the CBI in its submission to the Chancellor on the Budget. The CBI estimates sector borrowing at around £8½bn and the Business School at £9.3bn. Back Page; CBI and TUC submissions, Page 8

● BUILDING SOCIETIES will lend 50,000 fewer mortgages this year, the Alliance Building Society has forecast. Page 6

● MARATHON Shipbuilders' workers have agreed to proposals for increased productivity and flexible working, which, they believe could help win work for the yard. Page 8

COMPANIES

● GENERAL ACCIDENT pretax profits for 1978 rose by 25 per cent to £90m, with premium income 10 per cent ahead at £748m and underwriting results showing a £1.1m profit compared with a £6.3m loss previously. Page 26

● BOC International pre-tax profit rose 32.4 per cent to £14.3m in the three months to December 31, and group sales rose 8.8 per cent to £302.9m. Page 26 and Lex

● REDMAN HEENAN International proposes to raise £2.2m by a one-for-four rights issue at 59p. Page 26

● TEXAS INTERNATIONAL Airlines has announced details of the terms of its offer for the remaining 77 per cent of National Airlines stock it does not already own. Page 33

● ENGLISH INSTITUTE of Chartered Accountants is to proceed with its proposed review of the latest accounts of Lonrho, following personal examination of Lonrho's 1978 annual report by the head of the Institute's professional standards committee. Page 6

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Treasury 9½pc 1980-82	£94¼	+ ¼
Treasury 15½ 1996	£118½	+ 1½
Treasury 13½pc 2000-03	£123½	+ 1½
... (J.)	436	+ 10
Provincial Ests.	117	+ 12
... Leisure	276	+ 6
...	527	+ 12
... Counties	80	+ 5
... (Ernest)	185	+ 6
... & Williams	110	+ 10
... Furniture	260	+ 10
... O'Ferrall	92	+ 5
... view Ests.	140	+ 10
... Partnerships	135	+ 7
... an Heenan	78	+ 7
... (W. H.) A	162	+ 5
... rt & Pitt	215	+ 10
Sunley (B.)	310	+ 14
Taylor Woodrow 'New'	41pm	+ 7
Tricoville	88	+ 4
Williams & James	184	+ 9
London Sumatra	252	+ 12
Plantation Hldgs.	82	+ 9
Anglo-Vaal	£11¼	+ ½
Beralt Tin	60	+ 4
Killinghall Tin	340	+ 20
Mangula MTD	62	+ 5
Paringa Mng. & Expln.	25½	+ 3

FALLS:

BOC Intnl.	71	− 3
British Vita	154	− 6
Burton A	223	− 5
Comet Radiovision	96	− 4
Small & Tidmas	60	− 20
Hampton Areas	152	− 6
Lydenburg Plat.	93	− 5
Pacific Copper	100	− 8
UC Invests.	270	− 6

Iran oil chief tells western consortium its role is ended

BY KEVIN DONE and ANTHONY McDERMOTT

Iran yesterday ended the long-standing role of the U.S.-led consortium in marketing her crude oil. Mr. Hassan Nazih, managing director of the National Iranian Oil Company, told workers that in future he would deal with international oil companies only on an individual basis.

Mr. Nazih implied that the role of the Oil Services Company of Iran, the name under which the consortium carried out exploration and exploitation of the Khuzestan fields, would be ended.

He said: "We tell those companies that were imposed on us in the past that it is better for them to withdraw, because if they refuse, the workers will kick them out."

The consortium, which used to market 90 per cent of Iran's oil, is made up of BP, 40 per cent; Royal Dutch Shell, 14; Exxon, Gulf, Mobil, Socal and Texaco, each 7; Compagnie Française des Pétroles, 6; and Iricon Agency, 5 per cent. The last-named is a group of small independent U.S. companies.

The consortium held a meeting in London yesterday to discuss the Iranian statement, but there appeared to be little sign of unanimity on how to act.

Some members wanted to send negotiators on behalf of the consortium as a whole, while others preferred that the ending of the consortium's role should be accepted.

On Tuesday Mr. Nazih announced that oil exports would resume on Monday after a two-month freeze.

But another senior official has said that there were no immediate plans for increasing output beyond 1.5m barrels a day.

Before oil workers began their strikes last October Iran produced about 6m barrels. Dr. Mehdi Bazargan, the Prime Minister, has said that production in future will be only 70 per cent of previous figures, about 3.6m barrels.

Yesterday Mr. Nazih claimed Iran was perfectly capable of producing 6m barrels a day even without the assistance of hundreds of foreign technical experts evacuated in recent months.

There must be some doubt as to whether this is possible, because some of the more difficult fields require production boosted by reinjection of associated gas, involving highly sophisticated equipment.

The National Iranian Oil Company is reported to have asked for some 90 consortium employees to be kept on standing, but presumably to be hired directly if necessary.

Mr. Nazih also said that when Iran resumed exports discounts would be excluded on sales. The consortium formerly obtained oil supplies at a discount for its services.

"We may be able to sell the oil at $18 to $20 a barrel on a spot basis," he said.

In London Mr. A. W. Pearce, chairman of Esso, which is the British subsidiary of Exxon, said his company was not prepared to buy Iranian crude at those levels.

He told an energy conference that Esso's plans for the current year were based on the assumption that there would be no Iranian crude coming to the company in it.

In New York Mobil cut its allocations worldwide by 9 per cent, retroactive from the beginning of the year.

Iran's long-term ability to maintain spot sales of her oil at this high level must be open to doubt, when world supplies and levels of consumption adjust to the country's production plans.

In Kuwait oil production is reported to have been raised from 2m barrels a day to 2.5m.

Khomeini goes back to Kum, Page 3
Men and Matters, Page 24

Consumer countries seek to cut demand by 3-5%

BY KEVIN DONE, ENERGY CORRESPONDENT

THE WORLD'S major oil consuming countries are expected to agree today on voluntary measures to cut their oil demand by 3 to 5 per cent.

This will be the industrialised world's first significant response to the oil supply crisis that has been building up since crude oil exports from Iran stopped at the end of December.

The 19 member countries of the International Energy Agency meet in Paris today and tomorrow to try to reach a consensus over world oil supplies and to agree a programme of co-ordinated action.

More than 400m barrels of crude oil have been lost to the world market in the past three months during the turmoil in Iran. This has been made up in part by increased production from Saudi Arabia and some other oil exporting countries, such as Iraq, Nigeria and Kuwait, and in part by the running down of stocks in consumer countries.

According to the latest figures prepared by the agency, stocks are declining at the rate of about 3.4m barrels a day compared with the 2m barrels a day that would normally be expected during the winter to meet high seasonal demand.

The world crude oil supply system is likely to be under considerable pressure for the rest of the year. Even if Iran resumes exports at a significant level, consuming countries will be hard-pressed to build up stocks again during the summer.

Reducing their demand is the only way agency countries may relieve at least some of the pressure and hold back the gathering wave of price increases being introduced by individual members of the Organisation of Petrol Exporting Countries.

The net loss of crude, at about 4 per cent, is not sufficient to trigger the agency countries' emergency oil-sharing scheme, which operates when a loss reaches 7 per cent.

Any steps agreed in Paris therefore will involve voluntary action.

Conservation will take different forms in different countries. In the U.S., for example, President Carter is asking Congress for powers to ban weekend petrol sales and outdoor commercial lighting, set lower temperatures in public buildings and allow the introduction of some form of petrol rationing.

In the UK, such steps probably would be only a last resort. The Government is planning to achieve its 5 per cent cut in oil demand by burning up to 5.5m tons a year extra coal in power stations, reducing the use of oil-fired stations.

The West draws up its oil strategies, Page 6

TGWU backs public sector deal

BY CHRISTIAN TYLER AND NICK GARNETT

PEACE HOPES in at least two of the public service disputes improved yesterday when Transport and General Workers Union delegates, representing local authority manual workers and hospital ancillary staff, voted two-to-one to accept an offer of 9 per cent and a pay comparability study.

The General and Municipal Workers Union is also on the point of accepting the offer for local authority workers following voting results from most of its 10 regions. Only London has so far rejected the offer.

Voting results for the National Union of Public Employees, which unlike the other two unions is recommending rejection, and for the Confederation of Health Service Employees will not be known until next week.

The Transport Workers and the General and Municipal can outvote NUPE on the joint-union negotiating side for local authority workers.

If NUPE members reject the offer, the union would almost certainly come under pressure to fall in line with the other two.

Mr. Alan Fisher, NUPE's general secretary, wanted his union to accept the offer.

The Confederation and NUPE together can outvote the Transport Workers and the General and Municipal on the joint-union side for hospital workers. The Confederation is making no recommendation on the offer.

In the other public service dispute involving ambulancemen, which appears to be the most difficult to settle, Transport Workers' delegates meet today. It is still unclear how

Continued on Back Page

NUMBER of workers involved in strikes in January was the highest since May 1968, and the number of working days lost through strikes the highest since February 1974, provisional figures released by the Department of Employment show. Back Page

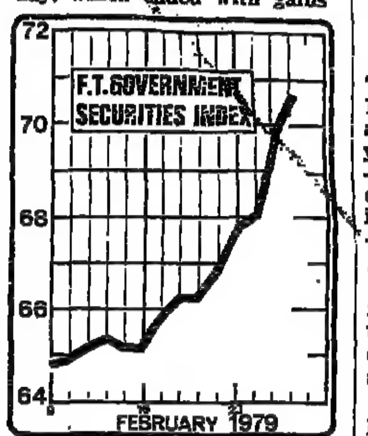
Gilts market 'boils over'

By Peter Riddell, Economics Correspondent

The gilt-edged market boiled over yesterday after the recent sharp rise in prices. But this has done little to resolve the authorities dilemma about whether to reduce Minimum Lending Rate and when to issue new stocks.

At the start of business yesterday, prices of stock roared away for the third day in a row with gains of 4½ points at the longer end. This reflected wide margins in a market very short of stock where demand had been further stimulated by favourable domestic pay news.

But there was then some profit-taking with very volatile conditions for the rest of the day, which ended with gains



of 1½ points. The new long-dated issue closed at £23¼, after a high of £25½, in its £15 paid form, a profit of 57 per cent in less than a week.

Consequently, the FT Government Securities index increased by a further 0.66 to 70.60 for a rise of 6½ per cent in the last week.

The very volatility of recent conditions makes it much more difficult for the Bank of England to price any new issues in view of the gap of a few days between the announcement and lists opening.

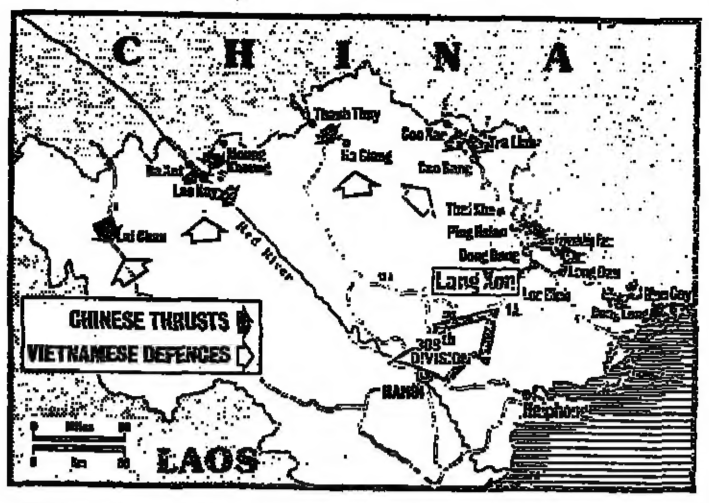
In any event, the Bank does not have to announce issues on a Friday and could wait until markets have settled down.

A more immediate decision is faced on MLR and a cut from the present 14 per cent

Continued on Back Page
Money Markets, Page 31
Euromarkets, Page 38
Economic Viewpoint, Page 25

£ in New York

—	Feb. 27	Previous
Spot	$2.0235-0255	$2.0210-0220
1 month	0.48-0.43 dis	0.59-0.54 dis
3 months	0.90-0.85 dis	1.00-0.95 dis
12 months	3.15-2.95 dis	3.25-3.05 dis



China has mobilised 250,000 troops against Hanoi, of whom over 100,000 are fighting inside Vietnam. North of Hanoi Vietnam's local militias are backed by three to five divisions. After 13 main thrusts into Vietnamese territory, China controls much of Route 4 in the east. In the west Chinese troops have moved beyond Lao Kay 10 miles along both banks of the Red River. The provincial capital of Lai Chau has fallen.

Vietnam city battle rages

BY RICHARD NATIONS IN BANGKOK

THE FIRST major battle in the 12-day Vietnam war raged around a key provincial capital yesterday after Hanoi had sent—for the first time—one of its elite divisions to engage invading Chinese troops.

The outcome of the fighting around the strategically-located town of Lang Xon could determine whether China will stick to its proclaimed "limited objectives" or be sucked into all-out war with Vietnam.

As efforts at the United Nations Security Council to halt the fighting remained deadlocked, and the Soviet Union warned for the first time that the fighting might develop into a wider conflict, Vietnam demanded the immediate and unconditional withdrawal of Chinese troops.

Radio Hanoi said the Chinese, reinforced by armoured artillery, had launched a three-pronged attack on a wide front, assaulting the Lang Xon area.

The Vietnamese command sent the 308th Division from troops guarding Hanoi to the battle scene on Monday, indicating how seriously Vietnam is taking the fighting.

Diplomats here say that fierce infantry engagements for control of the ridge have begun, with the Chinese throwing in large units to capture artillery positions honeycombing the hills. Tops surrounding Lang Xon.

Lang Xon is 85 miles north-east of the capital. Attacking through hills for ... south of Lang Xon, ... —the shortest route to ... begins to open into the plains of the Red River delta where the flatlands favour the invading forces.

"The Vietnamese really have very little ridge to play with there. If they fall back far, the approaches to Hanoi will be vulnerable," one military analyst said.

"It looks as though the Vietnamese have to make a stand in the hills surrounding Lang Xon, where control of the highlands and knowledge of the terrain could enable them to withstand the overwhelming numbers the Chinese are able to throw at them."

Diplomats believe the battle could last for weeks.

They doubt whether the Chinese have any intention of pushing into the plains even if they manage to punch through Vietnamese defences in the highlands. The Chinese have consistently emphasised their "limited objectives." Any threat to the plains could make more likely some form of Soviet military retaliation, although Vietnam cannot afford to rely on such support.

Vietnam's resources are thin. It is estimated to have no more than five main-force divisions in the Hanoi-Haiphong area, including two "training divisions." ... these, the ... north is a ... the gravity ... views the situation.

Troops in Cambodia are too far away to move quickly to danger areas.

There is doubt whether the Soviet Union has the capability to intervene directly in the battle area sufficiently swiftly against a determined Chinese advance.

Even if the Russians have high-performance aircraft ready in Vietnam — something suspected but unconfirmed — superiority in the air is unlikely to counter the massive Chinese advantage on the ground.

Russia's warning to China Page 3

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CONTENTS OF TODAY'S ISSUE

European news	2	Technical page	11	Intl. companies	33-36
American news	4	Management page	12	Euromarkets	38
Overseas news	4	Arts page	23	Money and exchanges	31
World trade news	4	Leader page	24	World markets	33
UK news—general	5-6-8	UK companies	26-29	Farming raw materials	37
—labour	8	Mining	27	UK stock market	38
Politics	10				

FEATURES

U.S.-Egypt-Israel haggle while Middle East boils	24	Spanish elections: Taking moderation to extremes	2	The West draws up its oil strategies	6
Economic viewpoint: The problems of £ success	25	Peking makes its mark in South East Asia	3	Referendum ...	10
Business and the Courts: The La Roche judgment	22	Arabian markets: Time for UK export drive	4	Minas Gerais ... fast developing	32
				Spanish ... exports	37

Appointments	36	FT-Actuaries	39	Today's Events	25
Appts. Advts.	14-20	Ind profits	23	TV and Radio	22
Bus. Opps.	18	Jobs column	14	Unit Trusts	39
Base Rates	31	Letters	25	Weather	40
Crossword	22	Lex	40	INTERIM STATEMENT	
Econ. Indicators	8	Lombard	14	BOC Intl.	26
Entertain. Guide	22	Men and Matters	24	Challenge Cpn.	32
European Opts.	36	Share Information	40-41	ANNUAL STATEMENTS	

La Malfa bid for government in balance

BY RUPERT CORNWELL IN ROME

CHRISTIAN Democrat leaders met last night to consider Communist proposals to end Italy's four-week-old Government crisis. Their reply will determine the fate of attempts by Sig. Ugo La Malfa, the Republican leader, to form a new administration.

The Communist (PCI) suggestiions were outlined by Sig Enrico Berlinguer, the party leader, after talks yesterday with Sig. La Malfa. They confirm the softer line adopted by the PCI towards the country's first non-Christian Democrat Prime Minister-designate since 1945.

Sig. Berlinguer said his party was ready to shelve its long-standing demand for direct participation in a new Government, in return for one containing a number of "technocrat" Ministers drawn from the Left, and committed to a precise programme.

This would be coupled with Sig. la Malfa's idea for a "directory" of the leaders of *the five parties which supported* the outgoing minority Christian Democrat government of Sig. Giulio Andreotti. The directory would hold periodic meetings to monitor the progress of a new government.

Last night, Sig. la Malfa's slim hopes of success depended on the unlikely event that the Christian Democrats would drop their opposition to what a vocal faction in their ranks considers the admission of "camouflaged" Communists into a government which they no longer would head.

The long-time ruling party will certainly dismiss out of hand Sig. Berlinguer's other proposal yesterday, of a government under Sig. la Malfa containing Republican, Socialist and Communist Ministers, with external support from the Christian Democrats.

The Republican leader will report back tomorrow to President Sandro Pertini. If he fails, unless Sig. Pertini makes a last ditch attempt to find another Christian Democrat to try and resurrect the former Centre-Left alliance with the Socialists, he would have no choice but to dissolve Parliament and call a spring election.

Meanwhile, the 29 judges of the Constitutional Court will hand down this morning their verdict in the Italian Lockheed payments scandal, after an unprecedented 23 days spent in reclusion to consider their decision.

Among the defendants are two former Defence Ministers, Sig Luigi Gui and Sig Mario Tanassi, and General Dullio Fanali, the former Italian air force chief of staff. The prosecution has asked for a total of 58 years' imprisonment for nine of the 11 defendants.

The two ex-Ministers have strenously denied any improper behaviour in connection with Lockheed's efforts to secure the purchase by Italy of 14 C-130 Hercules military transports in 1970.

New Chirac attack on Giscard

By Robert Mauthner in Paris

M. JACQUES CHIRAC, the Gaullist leader, yesterday launched another sharp attack on the European and economic policies of the French Government, which his party theoretically supports. But he nevertheless ruled out any immediate parliamentary move to bring down the coalition, which includes as many as 10 Gaullist Ministers.

M. Chirac's onslaught, published in the Paris evening paper Le Monde, was timed to coincide with President Giscard d'Estaing's absence from the country on an official visit to Mexico.

Though he left his longer-term options open, M. Chirac made it clear that, however critical the Gaullists might be of the Government, they did not consider the moment ripe to bring about a major political crisis.

M. Chirac said that it would be irresponsible on the part of the Gaullists to provoke a new general election so soon atfer the last one in March 1978, in which the voters had rejected what he described as a "collectivist" society.

M. Chirac's cautious political tactics, however, did not prevent his repeating his accusations that President Giscard and his supporters were pursuing a European policy which threatened France's national independence. But his hardest words were reserved for the Prime Minister, M. Raymond Barre's economic policies and, particularly, the Government's failure to deal with mounting unemployment and the crisis in the steel industry.

M. Barre, meanwhile, has stressed once again that he has no intention of modifying his economic policies in the immediate future. Recent rumours that he is about to be replaced as Prime Minister by President Giscard as the result of policy disagreements between them, or for reasons of political expediency have been denied in the highest quarters.

French steel violence spreads

BY TERRY DODSWORTH IN PARIS

THE WAVE of industrial unrest in the French steel industry moved on from Lorraine yesterday to Valenciennes, where workers protesting against the planned closures raided the local employers' federation offices.

In a carbon copy of an action at the steel town of Longwy the previous week, the demonstrators threw furniture out of the windows and burned it in the street, together with many of the office's files.

The second largest union in *the steel industry, the left-wing* CFDT, has publicly distanced itself from this violence, saying that the struggle to alter the Government's re-organisation *plan for French steel* should be conducted in the factories. But it is collaborating with the more radical, Communist-led CGT, in plans to launch a general strike in the steel-works, and for marches on Paris.

The more moderate FO union, however, has refused to join talks on joint action. It condemned all violence and attacks against public buildings, and called for a more thorough examination of the proposals put forward by the Government and the Usinor steel group, for the establishment of training companies to soak up redundant workers.

This relatively favourable response to the Government's plans to soften the impact of run-downs in the steel industry comes amid renewed speculation about attracting General Motors to make a large investment in the steel-making regions.

While Ford is still persuing its investigations in Lorraine, where it is considering a new car assembly plant, the General Motors plan is emerging as a serious alternative.

The company is weighing a substantial expansion of its activities in Europe to make a new car.

Nervousness on German wages

BY ROGER BOYES IN BONN

SOLDIERS, policemen and printers are among the groups of West German workers who have started wage negotiations this week. With memories of this winter's bitter steel strike still fresh, the employers and the Government feel a little apprehensive.

The Economics Ministry in January set 6 per cent as the desirable upper limit for earnings to rise in 1979, indicating that contracts on nominal wage rates should be kept well below that figure.

Workers in the booming construction industry, however, are claiming 7.4 per cent and public sector employees 6.5 per cent, as well as an increased holiday allowance. *The public sector* contract will involve some 2.2m workers, including groups as diverse as postmen, teachers, foresters and policemen.

Last year, the employers—represented by a committee of federal, state and local government officials—agreed to a 4.5 per cent increase in wages and salaries, plus two days extra holiday for the two lowest income categories.

The Government would clearly like to settle at about that rate this year and there have already been gloomy forecasts about how much a 6.5 per cent increase will cost the country. *According to one estimate* federal and provincial authorities will have to pay an extra DM 12bn (£3.21bn) in personnel costs if public sector unions secure the increase they want.

The outcome of the engineering industry's wage negotiations has met with some government satisfaction, however. The industry frequently sets the tone of late wage accords and the 4.3 per cent (plus fringe benefits) settlement is seen as an uncontroversial decision.

Business confidence on increase

BY ADRIAN DICKS IN BONN

WEST GERMAN business confidence, already running higher than at any time since the early 1970s, increased further in January, according to a survey by the IFO economic research institute in Munich.

The report shows an increase in companies expecting to put up prices, as well as in those who are satisfied with business conditions. There was slightly less certainty about exports, although such key sectors as mechanical engineering and heavy electrical equipment manufacturers are expecting a definite upturn in foreign orders.

Average backlogs in orders continued to rise, despite a further increase in output. Only a third of companies complained that they had too few orders in hand, compared to a half a year earlier.

Among individual sectors, IFO singles out the much-improved business situation of important semi-finished producers, such as the chemicals and metals *industries.* On the negative side are data processing and office equipment manufacturers—paradoxically, the industry that presented one of the brightest pictures in the sluggish 1977-78 period.

Comecon's growth rate falls

By David Satter in Moscow

INDUSTRIAL OUTPUT in the Comecon countries increased 5.5 per cent in 1978, according to Ekonomicheskaya Gazeta, the weekly newspaper. This compared with an increase of 6.4 percent in 1977.

The figures further confirm that none of the major Comecon economies is likely to achieve its five-year industrial growth plan target.

The Best results in 1978 in the 10-nation economic grouping, which includes the Soviet Union, its eastern European allies, and Mongolia, Cuba and Vietnam, were achieved by Romania and Cuba, both of which registered per cent increases.

The worst results—all between 4.8 per cent and 5.8 per cent—were achieved by the largest economies, the Soviet Union, East Germany, Hungary, Poland and Czechoslovakia. The increases were: Soviet Union, 4.8 per cent; East Germany, 5.4 per cent; Poland, 5.8 per cent; Czechoslovakia 5.0 per cent; Hungary, 5.2 per cent.

Vietnam, which joined Comecon last year, registered a 7.0 per cent increase in industrial output and Mongolia a 6.0 per cent rise.

Between 75-100 per cent of increase in industrial output in the European Comecon countries was the result of better labour productivity, the newspaper said. Great attention was paid in 1978 to the improvement of qualitative economic indicators and more efficient use of materials.

National income, a measure similar to but not the same as gross national product, rose 5 per cent for the Comecon countries taken as a whole, according to Ekonomicheskaya Gazeta, down from 5.1 per cent in 1977 and 5.5 per cent in 1976. In light of this, the overall comecon 1976-80 growth target for national income, which is 30 per cent, is not likely to be met.

Ekonomicheskaya Gazeta said that despite unfavourable weather conditions, the Comecon countries registered generally good results in agriculture.

Commission takes on Man-sized problem

By Guy de Jonquieres in Brussels and David North in Douglas

THE EEC, whose affairs have for the past two months been tied up in Franco-German quarrelling over the diabolically complex mechanisms used to finance its internal farm trade, is now approaching a showdown on the same issue with the Isle of Man.

The dispute arises from what amounts to a unilateral declaration of independence by the Manx government, which announced last summer that it had decided ot stop charging monetary compensatory amounts (MCAs) on its farmers' exports to the Continent.

The MCA's Act as an EEC levy of almost 30 per cent on the island's agricultural exports to bring them up to continental price levels. Thetir suspension has given its 800-odd farmers a substantial competitive advantage over other producers in the Community.

The Manx authorities argue that the decision was legal because the special arrangement negotiated when Britain entered the EEC exempts the island from contributing to the Community's finances.

It is obliged to impose EEC tariffs and farm levies on imports from outside the EEC, though it is entitled to pocket the proceeds.

The European Commission, however, takes a different view. Last month it fired off a letter to the British Government, as custodian of Manx affairs, warning that the island's failure to apply MCAs conflicted with its commitment to comply with the EEC's free market rules.

The letter has been passed on to the authorities in Douglas, who are mulling their reply. If they refuse to come into line, the Commission could take the affair to the European Court of Justice.

What would happen then is anyone's guess. It is not at all clear whether EEC rules would permit the Commission to sue the island itself.

For once, the British Government is siding with the Commission because it wants to protect its farmers from undercutting by Manx exporters.

Some will say that the affair is just a storm in a teacup, because the Isle of Man's exports to the Continent amount to little more than a monthly consignment of cattle.

But behind the Commission's stern resolve to crush this outbreak of fiscal anarchy there lies, presumably, another fear: that the Channel Islands, which are governed by the same arangements as the Isle of Man, might resort to the same loophole to export their high-class cattle at cut-rate prices.

Robert Graham, in Madrid, summarises the campaign leading up to today's Spanish general election

Taking moderation to extremes

THE SPANISH voter could be forgiven for feeling confused before going to the polls today. The slogans on which the main political parties have chosen to fight the elections are almost interchangeable.

"A strong government for a safe country." Far from being the law and order theme of the extreme Right, it is, instead, a theme of the Socialist Party (PSOE). "Put your vote to work." This anodyne exhortation comes from none other than the Communist Party.

The catch phrase of the Fascist Party, Union Nacional "Spain in your hands" varies only slightly from the officially sponsored propaganda urging voters to go to the polls for the constitutional referendum last December (and by implication to vote in favour of the constitution). Union Nacional was conspicuous for its support for a "No" vote.

This is an exceptionally sober campaign geared to a country that is in a conservative mood. The parties for their part, except on the extreme right and left, reflect this conservatism. They also display a certain nervousness about the electorate.

The June 1977 election, the first held under democratic conditions since Franco's death, was fought *on the broad* issue of democracy and the future direction of Spain. This time the issues are much more specific—law and order, inflation and unemployment. Parties are being judged by performance.

In several important respects this is the first truly democratic election in Spain since the end of the Franco era. The June 1977 elections were held when none of the parties were very organised. The Communist Party had come out of secret existence only two months before and UCD itself had only been constituted in May. Parties of the far left were still banned and the Spanish Workers Party (PTE) fought under an assumed name while the militant Basque grouping Herri Batasuna did not exist, because of a ban on such Basque activity. The vote had not been extended to 18 year olds and the census was poorly compiled.

Perhaps more important voters were electing a Parliament in a constitutional vacuum. The old Franquist fundamental laws had not been fully suspended and there was no formal delineation between the respective roles of the King, Prime *Minister and Parliament.*

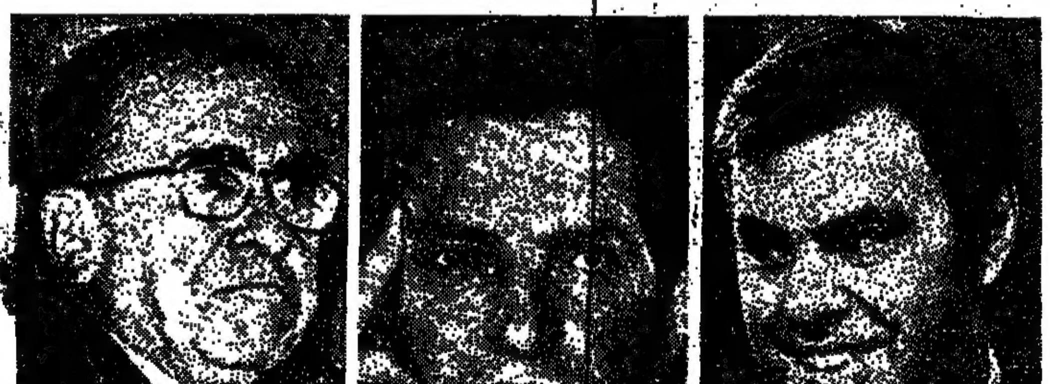
Now the basic structure of a democratic state has been laid, with the approval by referendum last December of a new constitution. Approval of the constitution by an overwhelming majoriy broke an important psychological barrier and afterwards there was a general sense of relaxation. As a result Sr Suarez' announcement of a March election three weeks after the referendum caught an electorate in no mood for electioneering. *Coming to terms* with this political weariness has been one of the major problems of this campaign.

Sr Suaraz need not have called an election. After the constitutional referendum he could have gone to Parliament and sought a vote of confidence. Although the number of UCD deputies in the lower house has fallen from the June 1977 total of 166 to 156 through desertions and the formation of new coalitions, the main opposition, the PSOE *and the Communists,* were in no mood to bring down the Suarez government.

A snap election—instead of waiting until 1980—allowed Sr Suarez to consolidate further his hold on the party. In the past year he has ensured that all those factions loyal to persons other than himself have become beholden to him. In some cases this has led to defections, the principal defectors now forming part of the right-wing coalition, Coalicion Democratica (CD).

To achieve a proper working majority, in Parliament, Sr Suarez would need to obtain 10 more seats in the lower house than he won in 1977. But this week he said he would like 181 seats out of the 350 for a proper working majority.

In the 207 seat Senate, which is intended to act like the House of Lords, he has no problem.



Sober campaigners: Sr. Santiago Carrillo, the Communist leader (left), Prime Minister Adolfo Suarez (centre), and Sr. Felipe Gonzalez, leader of the Socialist Party.

If Sr Suarez fails to improve the position of UCD his image and stature are liable to suffer—even if he is called on to form a government. More serious, if UCD is mauled by the Socialists, and the Socialists are called on to form a government this could lead to the break up of UCD itself.

UCD has survived on the success of Sr Suarez, and although now there are attempts to provide a tailor-made pragmatic ideology of reformist "Toryism," the party remains more than ever inextricably linked to the success of its handsome 46-year-old star performer.

Sr Suarez has two vital assets, apart from his youth and looks. He has been in power since July 1976 and can take the credit for having guided Spain successfully through an extraordinarily delicate moment in history.

The credit in no small measure should also go to the responsible way the PSOE and Communist leadership have acted in consensus with Sr Suarez to achieve a stable transition from dictatorship to democracy. But this, of course, is harder for the public to see and, in the case of the PSOE and Communist Party militants, not so easy to explain.

The second asset is the UCD control over the apparatus of state which in hundreds of small ways helps its own electoral machine. Television coverage of the elections and throughout Sr Suarez' terms has been shamelessly *exploited* to serve UCD interests.

The Socialists who think they have a chance of coming to power have formidable obstacles to overcome. From having accepted a form of consensus politics with the UCD they have suddenly been thrown into an election where they must present themselves as *the* opposition worthy of taking over the government. But the solutions it offers to the main problems of Basque terrorism, national *inflation* and increasing unemployment are only different in degree, not kind, from those of the Government.

In order to appear a credible alternative to UCD, the PSOE has [illegible] its Socialist ideology. The left wing of the party has been effectively silenced in [illegible]. The PSOE party leader, Sr. Felipe Gonzalez, has ceased to use any Marxist terminology and, unlike 1977, the International is rarely heard at Socialist meetings.

Gone too are the Republican flags. Sr Gonzalez himself in campaign photographs has been made to look considerably more than his 36 years.

Felipe, as he is popularly known, has learned a lot in two *years.* He has come out from under the tutelage of the International Socialist Movement but it is questionable whether he has convinced enough voters that he is ready to lead the country or that he can present a coherent programme.

The PSOE election programme refers only to one nationalisation—that of the high tension transmission lines (already part Government controlled)—and is scarcely more Socialist than that of UCD.

The PSOE's inability to define itself has put the party at risk. With the PSOE offering options which are little different than those of UCD, the Communist Party has been allowed to present itself as *the* alternative on the Left. The Socialist performance in these elections could, therefore, determine whether the party risks being squeezed by the Communists as happened in Italy 25 years ago.

The Communists for their part are campaigning on a ticket more moderate than any other European Communist Party. The Communist Party leader Sr. Santiago Carrillo has deliberately sought to attract votes from outside traditional Communist militants. This moderation in turn lays the party open to losing votes to parties further to its Left.

The result is unlikely to see significant swings in the number of seats obtained by either of the two major parties. One "independent" poll showed a fall in the number of UCD seats to 153 and a rise in the number of Socialist seats from 118 to 140. It gave the Communist Party a slight increase from 20 to 22.

At the same time it predicted a major breakthrough by Basque nationalist leftist groups and a very poor showing for the recently constituted Coalicion Democratica which contains veteran figures of the Franquist regime and Sr. Manuel Fraga's Alianza Popular (AP) party that obtained 16 seats last time.

All this suggests that the election result will fail to produce a clear cut majority and awkward problems could arise in forming a new Government. Sr. Suarez dislikes the idea of a coalition. The small conservative regional parties of Catalonia and in the Basque country would make an alliance complex, given Parliament's need to tackle the question of regional autonomy statutes.

The Socialists, too, mistrust a coalition as being electorally damaging. But the King, who will play an important behind-the-scenes role, may judge this more opportune than attempting to form a minority PSOE Government supported by the Parliamentary Left.

One intriguing upshot of several polls is that for the first time the combined number of seats in Parliament acquired by the Socialists, Communists and other Left groups could provide a majority. But Sr. Suarez should do just well enough to prevent this.

Smith hits out at Britain's 'decline and decadence'

BY TONY HAWKINS IN SALISBURY

IN AN emotion-charged speech marking the end of Rhodesia's white-dominated parliament yesterday, Mr. Ian Smith, the Prime Minister, lashed out at Britain's "decadence and decline."

Mr. Smith spoke in a televised broadcast as the 66-member House of Assembly (50 whites and 16 blacks) debated the traditional adjournment motion for the last time. One-man-one-vote elections in April will return a house of 100 members of whom 72 will be black and 28 white.

Mr. Smith, who made it plain in his valedictory parliamentary appearance as Prime Minister that he would contest the April elections as leader of the minority white party said Rhodesia had been created in the heyday of the British Empire but since then Britain had crumbled into "ignominy."

His voice choking with emotion, Mr. Smith accused Britain of betraying Rhodesia and leaving it with no choice in 1965 other than to seize its independence unilaterally. The 59-year-old Prime Minister told the House: "We are recording the end of a great and proud era. Tomorrow, a new era commences."

Mr. Smith, who last year said he would quit politics at the time of the April elections, has changed his mind. He now says he will stay in active politics until Rhodesia secures international recognition and the lifting of economic sanctions.

David Buchan reports from Washington: A team of up to 50 "impartial" U.S. observers would be sent to Rhodesia to monitor the fairness of the elections under a bipartisan resolution to be introduced in the Senate today.

The sponsors, spanning the ideological gulf about Rhodesia in Congress, are Senator George McGovern, *the Liberal* Democrat who chairs the senate Africa sub-committee, and Senator S. I. Hayakawa, the conservative Republican who has led the fight for U.S. trade sanctions on Rhodesia to be lifted.

Senator McGovern, who held a joint press conference with Senator Hayakawa yesterday, insisted that the despatch of a non-partisan and professionally qualified observer team was intended as a strictly neutral means of ascertaining the facts about the election, and would carry no endorsement by the Carter administration.

Senator McGovern said the Smith Government had agreed to provide transport and security for the observer team, whose two-week mission to Rhodesia would cost $175,000. With such bi-partisan support, the resolution is considered likely to pass.

Michael Holman adds from Lusaka: A Zambian airforce Macchi jetfighter was shot down a few miles north-west of Lusaka on Monday when it overflew a Zimbabwe African Peoples Union (ZAPU) camp in the area, according to observers.

Neither the Zambian Government nor ZAPU has commented on the incident. Although it is the first time that the Zambian-based guerrillas have shot down an air force plane, they have frequently shot at civilian flights landing at Lusaka international airport.

India shifts taxation from farmers to urban areas

BY K. K. SHARMA IN NEW DELHI

A SHIFT in taxation from India's farmers to its middle and higher urban classes was announced yesterday by Mr. Charan Singh, India's Deputy Prime Minister and Finance Minister.

Presenting his first budget to the Indian Parliament, he lowered the duties on a number of agricultural inputs such as fertilisers and the light diesel oil needed for irrigation pumps. He also introduced measures to exempt from taxation certain handicrafts such as carpets. This is in accordance with his policy of creating employment opportunities in cottage industries. Also exempted are the smaller units competing with large-scale industry.

The Finance Minister has, however, been severe on the urban areas and higher income groups. His budget raises income taxes and duties on a wide range of consumer goods, including petrol and tobacco.

By doing so he has lived up to the fears of industrialists about how he would deal with their problems. He has not accepted recommendations to rationalise India's complex excise structure and, on the contrary, has increased corporation income tax. His budget has thus done nothing to improve the investment climate.

The net result of the tax changes is to impose additional taxation of £400m but the budget deficit remains huge at £5.5bn.

The political [illegible] the greater [illegible] tively low [illegible] expenditure. [illegible] the 17 per cent increase budgeted last year, not all of which has been used, there is to be a relatively modest increase of 8 per cent this year. Nearly 40 per cent is earmarked for the agricultural sector. Mr. Charan Singh has promised to appoint a committee to reduce administrative expenditure.

Monetarist sting in tail of Hong Kong's budget

BY PHILIP BOWRING IN HONG KONG

HONG KONG'S budget for the year ending March 1980 is only moderately deflationary in expenditure and revenue terms but contains a monetarist sting in the tail.

Mr. Philip Haddon-Cave, the Financial Secretary, announced yesterday, that revenue is expected to rise by 12 per cent to HK$13.8bn. This follows a 31 per cent estimated increase in the current year when revenue has been increased by booming domestic demand and high prices for land sales.

Expenditure is also expected to rise by 12 per cent to HK$12.4bn. That would provide a surplus of HK$1.4bn compared with a surplus in 1978-79 now *estimated* at HK$1.2bn.

Hong Kong budgets are usually highly conservative. Revenue and expenditure for 1978-79 were originally forecast to be in balance, so the size of the budgeted surplus for 1979-1980 is not necessarily deflationary. The 12 per cent spending increase (which amounts to about 5 per cent in real terms) follows a 36 per cent leap in spending in 1978-79, which was 9 per cent up on the budget forecast.

However, it is possible that this year the surplus may prove to be genuinely deflationary in view of new liquidity measures announced in the budget. That is the sting in the tail.

Over the past year or more the Government has been accumulating its surpluses in Hong Kong dollars in local banks rather than selling them for foreign assets as in the past. It did so because it did not want to put further downward pressure on the Hong Kong dollar. But as a result surplus funds have been available for re-lending. Partly as a result, bank advances have grown at the alarming rate of more than 40 per cent in the past 12 months.

Now the Government, instead of treating its Exchange Fund assets as ordinary deposits with banks, is to re-classify them so that its short-term deposits are treated as inter-bank deposits which require 100 per cent liquidity cover. Long-term ones will require 25 per cent cover.

Depending on how the Government disposes of its reserve funds under the new rules, it will be able to strongly influence credit. The immediate result could be a sharp contraction in the amount of new loans that banks are prepared to make.

The Financial Secretary may need this monetary weapon if he is to bring an overheated economy back to a sustainable growth path. The Government's own expenditure proposals suggest that political pressures not to accumulate an even bigger budget surplus and not to slow down the momentum of housing and social spending have prevented Mr. Haddon-Cave from pruning the public sector.

The Financial Secretary said serious problems confronted the economy and were relected in the fact that imports and final demand were increasing much more rapidly than exports and Gross Domestic Product for the third successive year.

He implied that the Hong Kong dollar would depreciate further this year as a result of imports growing at 10 per cent compared with export growth forecast at 8 per cent. That would suggest a trade deficit of more than HK$11bn compared with an already alarming HK9bn deficit in 1978.

Despite this, Mr. Haddon-Cave forecast overall GDP growth of 7 per cent for 1979, against 10 per cent last year. But having delivered dire warnings about spending growth, he still expected Government and private consumption to rise by 9 per cent each, and capital spending by 8 per cent.

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OVERSEAS NEWS

Khomeini move gives Bazargan new chance

By Simon Henderson in Tehran

WHEN AYATOLLAH Khomeini, Iran's spiritual leader and victor of the struggle against the Shah, leaves Tehran today to take up residence in Qom, the holy city 80 miles south of the capital, Iranians and the rest of the world will be watching very closely the extent to which the seat of power moves with him.

Since the revolution 18 days ago most power has remained with the "Komiteh," the people who act in Khomeini's name, to the extent that the Government of Mr. Medhi Bazargan has sometimes been totally eclipsed.

Ayatollah Khomeini is the only truly powerful personality in Iran and rules the country as from a medieval court. The method succeeded at first, but with Islamic and Left-wing terrorist groups maintaining their independence and the call for autonomy resounding from some provinces, its inadequacies are growing. A vacuum is emerging which is not yet being filled by Mr. Bazargan.

Even the Prime Minister did not know several generals of the Shah's regime had been executed until he read it in the papers. Dr. Karim Sanjabi, his Foreign Minister, had a similar experience when Khomeini summoned the Soviet ambassador to warn against Russian interference in Iran's internal affairs.

Though much of the country authority is organised through the mosques, the main contact for at least one embassy with Khomeini is via the moslem priest around the corner. The writ of the Prime Minister is often not valid.

Mr. Bazargan's main chance is that the continuing return to normality will naturally enforce the authority of his administration instead of the armed civilian militia, now mostly confined to manning nightly roadblocks throughout the capital. In this way the Ayatollah eventually would really become just a spiritual leader.

But Iran seems to be looking for more revolutionary action and the revolutionary council—a secret body of unknown membership—has made the running. This leads to the possibility that Ayatollah Khomeini might be able to control events as well from Qom as he did from Paris in the final days of the Shah.

THE WAR IN INDOCHINA

Kremlin indec[...]on shows through Pravda warning

BY DAVID SATTER IN MOSCOW

PRAVADA, the Soviet Communist Party newspaper, warned the world yesterday that if China's "aggression" against Vietnam was not stopped and if China was not forced to withdraw, the conflagration might spread.

The warning came in an authoritative editorial which appeared to reflect both Kremlin anger over the invasion and the inability of the Soviet leadership to decide what to do about it.

Pravada said it was in everyone's interests "to discourage the Peking adventurists from coveting other people's lands and encroaching upon the rights of others."

In an apparent reference to British plans to sell Harrie[...] jets to the Chinese, Pravda said "there were people in the 1930s who were prepared to provide the aggressors with with capital, strategic materials and arms.

The newspaper said that China was testing its aggressive hegemonistic policy in Vietnam. If the aggressor was not made to get out immediately, those who hoped to derive benefits from Chinese policies risked being the next victim.

Pravda repeated that the Soviet Union would stand by its treaty of friendship with Vietnam and demanded that China withdraw its troops but gave no indication of what Soviet Union would do if [...]ghting intensified and [...]

Un[...]rs believe the Soviet sho[...] make some new soon [...]ort for Vietnam of endin[...] shows no sign the Sovie[...]ursion. But are limite[...]p's options Russians hav[...]ugh the military supe[...]elming show no signs of [...] they to launch a nucle[...]ing over the Vietnamese [...]k massive conventional [...] could leave them enmesh[...] a war with China for man[...] years.

Meanwhile, according to agency reports, Mr. Michael Blumenthal, the U.S. Treasury Secretary, who is in Peking, was kept waiting for 45 minutes yesterday for a meeting with Chairman Hua Guofeng (Hua Kuo-feng). Chairman Hua did not offer any explanation for the delay but Mr. Blumenthal later discounted the idea that it was an indication of Chinese displeasure over his statements against the Vietnam war.

He told reporters that the subject of Vietnam was raised in his talk with the Chinese leader. Mr. Blumenthal added that he had again [...]ged a Chinese withdrawal. [...]hina and the U.S. formally [...]nge ambassadors today [...]plete the normalisation o[...]ns.

The Chinese envoy in Washington, Mr. Chai Zemin (Chai Tse-min), has held the title and unofficial rank of ambassador since he arrived to head the Chinese liaison office last year. In Peking, Mr. Leonard Woodcock, who held a similar position, will stay on as U.S. Ambassador. His nomination to the post was endorsed by the Senate on Monday.

Mr. Chai will preside at a flag-raising and plaque-changing ceremony at the liaison office in Washington. Then he will preside at a diplomatic reception to be attended by Mr. Cyrus Vance, the U.S. Secretary of State and other senior officials.

France again called on China and Vietnam yesterday to stop fighting and expressed the hope that both sides would accept a peaceful settlement.

M. Jean François-Poncet, the Foreign Minister, recalled that last Friday France had called for an immediate halt to hostilities in south-east Asia and the withdrawal of foreign troops on the Sino-Vietnamese border.

The appeal was issued after close consultation about the Chinese incursion into Vietnam between President Valery Giscard d'Estaing and the West German Chancellor, Herr Helmut Schmidt.

Peking makes its mark i[...] South East Asia

BY PHILIP BOWRING RECENTLY IN BANG[...]

WITH THE war in Indochina now well into its second week the view from South East Asia is that Chinese political points are beginning to strike home. It is still unclear whether the battle on the ground is going the way that the Chinese planned.

The willingness of China to go to war beyond its own borders represents a decision to extend its own hegemony over South East Asia and brings it into direct clash with Vietnam's more specific designs for hegemony over Indochina.

For many in South East Asia, Vietnam may simply be seen to be getting its just rewards. At the same time China's invasion of Vietnam has reassured those who feared that there was no effective counterweight to Vietnam in the region since the U.S. departure.

But there is deep concern among the, mostly prospering, capitalist nations that they could somehow be dragged in.

The most intriguing potential new war theatre is perhaps Laos. This small country of only some 4m people is linked directly to Vietnam, China and Thailand. The regime of Prime Minister Kaysone Phomvihan and President Souphannavong was placed in power esssentially by Vietnamese arms.

Until recently there were some 40,000 Vietnamese troops in Laos. These forces have helped keep at a tolerable level the right wing and tribal insurgencies against the Pathet Lao regime. The forces may now have been "bled" by Hanoi to build up forces nearer the present fighting.

The Kaysone government has tried hard to maintain a show of independence towards the Sino-Vietnamese split, though late last year China was asked to withdraw its economic co-operation office from Oudomsay in Northern Laos. In November, Laos gave an enthusiastic welcome to the Soviet-Vietnam treaty. Now, it has given verbal support to Vietnam in the war with China.

Powerful position

In November, when I visited Laos, the Pathet Lao cadres were spreading the word to the lower ranks that the Chinese were fanning the flames of rebellion among the hill tribes. China still has a powerful position in the two northernmost provinces of Laos where work teams have for long been engaged in road building.

The Thais too have a similar opportunity to create localised troubles for Vientiane.

Dissident Meo tribesmen, the most significant force in opposing the Pathet Lao regime, have found shelter in Thailand living an admittedly wretched refugee existence.

Bangkok may also be helping remnants of the deposed Pol Pot regime in Cambodia though Thailand has denied reports—including claims by Cambodia's Prince Sihanouk and Chinese Senior Vice Premier Deng Xiaoping that it is a conduit for arms to Cambodia.

What is happening in Cambodia itself is unclear. But Vietnam could readily move some troops from Cambodia without endangering its position there. Nonetheless, resistance by the overthrown Pol Pot forces is clearly continuing at a level which has surprised many observers.

East of the present war between China and Vietnam a further focus of resentment between the two nations are the islands in the South China Sea. The Paracel islands were occupied by China in early 1975, in the dying days of the Thieu regime in Saigon when Hanoi was otherwise preoccupied. Though tiny, they are a focus for offshore oil hopes.

Further to the south is the Spratly group of islands. They fall within the area claimed by China but are variously controlled by Vietnam, the Philippines and Taiwan. It is highly unlikely that China will choose the Spratlys as a place to attack Vietnam. Other countries in the area are already unhappy at the extent of the offshore rights in the South China Sea that China claims on its own maps.

Thailand, curiously, is not at all unhappy about the turn of events in the area. When Cambodia was invaded, the Thais were anxious not to offend the would-be masters in Hanoi of the "Indochina Federation." A meeting of the foreign ministers of ASEAN (the Association of South East Asian Nations, grouping Indonesia, Malaysia, Philippines, Singapore and Thailand) condemned the involvement of foreign troops but [...]ined from mentioning Vie[...] by name. This time the A[...] ministers have said much [...] same thing but for a differe[...] reason: calling for the withdrawal of all foreign forces from the two areas of conflict.

The Thais are well aware that they are no match for a militant Vietnam on the battlefield. And the Chinese know that a Thailand lacking powerful friends will tend to seek its own security through its traditional policy of accommodating the dominant local power—namely, a Soviet backed Vietnamese dominated Indochina federation.

Despite the polarisation in the region, and Thailand's clear preferences, Bangkok has not given up on diplomatic attempts to reduce the threat from the "Indochina Federation." Prime Minister Kriangsak is still scheduled to visit Moscow in mid-March and so far has not heeded calls from sections of the Thai Press for him to postpone the trip.

Since the withdrawal of U.S. bases from Thailand, the Soviets have had little reason of their own to want to see Thailand harried by Vietnam. But the Soviets overriding concern is to keep a strong Vietnam as a constant thorn in China's southern flank. The price seems to be a willingness to allow Vietnam to pursue its own regional ambitions. The question the Thais are now asking is how far will Vietnam go.

Other Asean countries see matters a little differently [...] Thailand. Several of them ha[...] racial problems over ethnic Chinese minorities which influence their thinking towards Peking. But distrust and fear of Vietnam also runs deep. The treaty of friendship between Vietnam and its puppet regime in Cambodia will not have won Vietnam any other friends. The treaty barely conceals the satellite status of the new regime in Pnom-Penh and adopts a two-faced stance towards Vietnam's non-Communist neighbours. On the one hand it calls for friendship, on the other it pledges support for "national liberation" movemens—in other words Communist insurgency.

The war could increase the flow of Sino-Vietnamese refugees. The refugees are already a major regional issue. To date, the mercenary approach of Vietnam towards its desire to dispose of—for a price—its richer disgruntled citizens has angered other nations in the region.

If there is now an increase some countries may see it as a consequence of Chinese policy as much as Vietnamese actions. Hong Kong, for one, has had to take in Sino-Vietnamese refugees who stopped off in China before setting sail again for bourgeois territory. The ethnic question remains China's achilles heel in South East Asia.

'World magistrate'

The Chinese notion of "punishment" in its invasion [...]f Vietnam has also come in [...] criticism here. "Instead of [...]erica the world policeman we [...]ow have China the world mag[...]ate," remarked a Filipino.

But p[...]aps the most telling criticism [...] the Chinese action is that it [...] neither right nor wrong but p[...]es nothing. In the words of [...]ASEAN diplomat: "It may b[...] big show of strength and deter[...]nation, but it is still only a sh[...]."

On balance, howe[...]r, the Chinese should be happy at the response so far in SE A[...] to their punitive mission. Provided that the war is of short du[...]tion, the most common—though far from universal opinion—is that it is likely to do more good than harm. Reservations, and there are many, are more about China's long term regional ambitions.

Menahem Begin

Israel will resist U.S. pressure

By David Lennon in Tel Aviv

ISRAEL WILL resist any U.S. pressure to make further compromises in the peace negotiations with Egypt. Mr. Menahem Begin, the Prime Minister, declared this following a cabinet meeting yesterday which approved his trip to Washington today to meet President Carter.

He insisted that Egypt had adopted "a very extreme new attitude" during the ministerial-level talks at Camp David last week. If Israel accepted the new demands this would turn the proposed peace treaty into a "war treaty," he said.

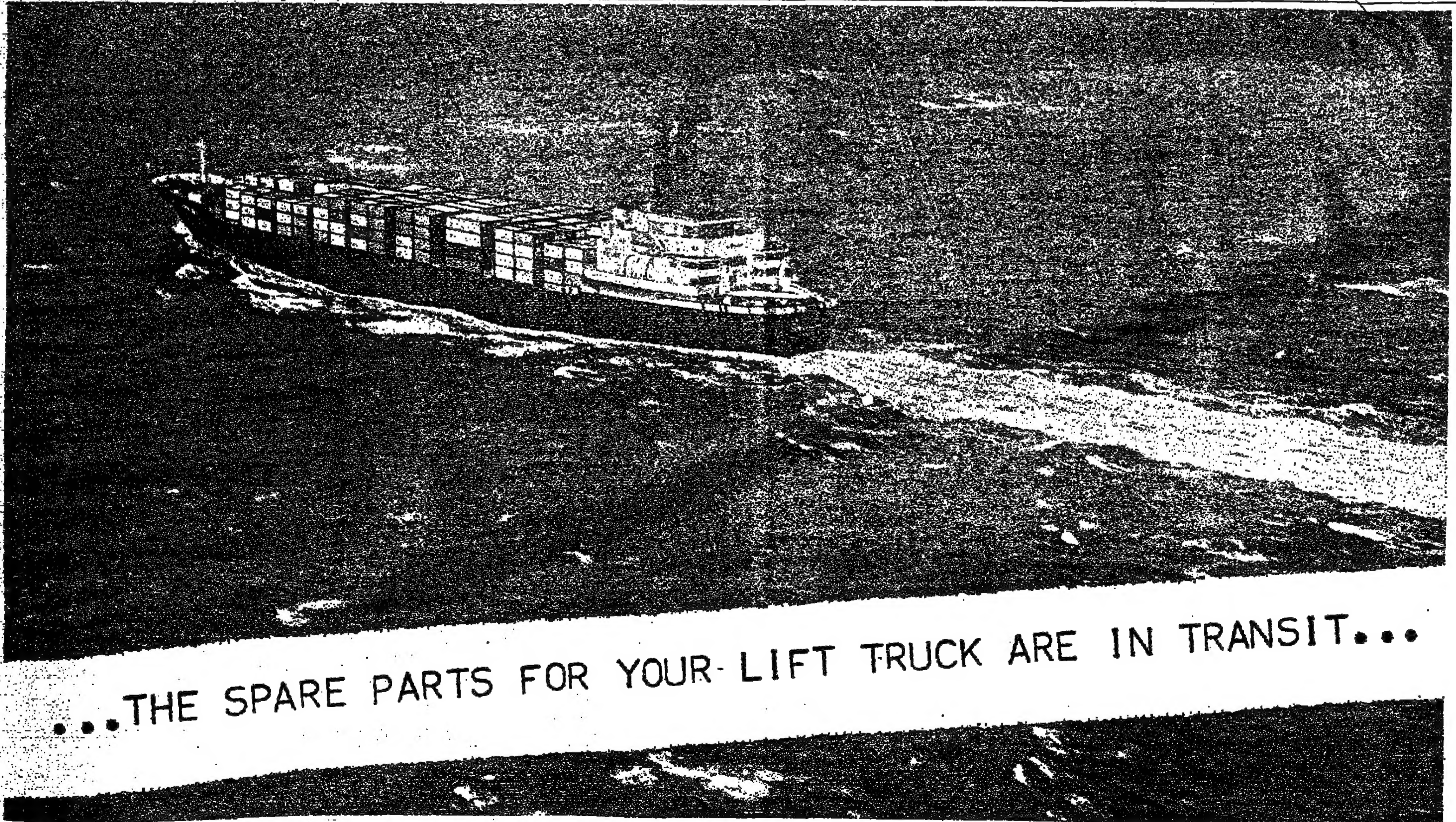
Mr. Begin rejected President Carter's claim that there had been progress at Camp David and he also disagreed with the American assessment that only insignificant points still separated Egypt and Israel.

Libya 'masses troops' says Cairo

By Roger Matthews in Cairo

LIBYA IS massing its troops on the Egyptian border, according to a front-page report yesterday in the Cairo mass circulation daily Al-Akhbar. The newspaper claimed that Colonel Muammar Gaddafy, the Libyan leader, had simultaneously ordered the media to step up its attacks on the Egyptian political leadership and has issued instructions that any Egyptians working in the Benghazi region should be moved to other places.

Haggling while Middle East boils. Page 24



So while you're waiting for them, let's just look at several facts which are vital to your production efficiency.

Lift trucks, like any other piece of machinery, do sometimes need replacement parts. And unless you actually stock those parts yourself, that out-of-service truck can affect your production. So the closer the truck is to a comprehensive supply of parts, the sooner it's back in service. And the less your company loses.

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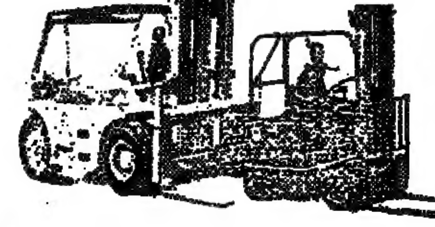
Think about that. And if you'd like more information about how Lansing can help you, simply phone your local Lansing engineer. He could well be just around the corner, too.



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Cleveland Mayor beats his critics in special poll

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

MR. DENNIS KUCINICH, the Mayor of embattled Cleveland, Ohio, won a noteable double victory at the polls yesterday, but at a possible cost of prolonging the near-bankrupt city's financial agonies.

In a special election, the citizens of Cleveland voted to increase the city income-tax by 50 per cent in order to raise an extra $25m in cash this year: at the same time, and again by a 2-to-1 margin, they backed their controversial Mayor in voting to retain civic control over the loss-making Municipal Light plant.

Retention of the light plant has been both a symbol of Mayor Kucinich's brand of urban populism, exemplified by the slogan "power to the people," and also, in the opinion of the mayor's critics, the root cause of financial problems which have left the city in default on $15m of debt owed to local banks, unable to get a credit rating for new issues and in desperate need of external assistance.

Both the city council, deeply at odds with the Mayor, and the local financial establishment have strongly pushed for the sale of Muny light. But, by carrying the day on both issues on Tuesday, Mr. Kucinich has reminded them that he is not a spent political force as had appeared last year when he survived a recall election by less than 250 votes. It also indicated that he could well retain office this November.

His success owes much to the effectiveness of his anti-establishment campaign. "The people of Cleveland," he told a victory celebration, "are fed up with the fat cats trying to tell them how to run their government. They tried to buy the city when they found the couldn't steal it."

His cause was much aided by recent local newspaper reports claiming that the Cleveland Electric Illuminating Company, the privately owned utility which supplies power to Muny light, was planning to charge an extra 25 per cent for its power and was generally scheming to put Muny Light out of business. The company has now a court judgment against Muny Light for non-payment and the city has countersued alleging anti-trust violations.

The $25m generated by the *income tax increase (which will* also provide another $38m next year) will, the Mayor has said, be used to pay off the existing $15m bank debt and repay the $41m improperly diverted from the city's capital budget to finance operating expenses. He also hopes to be able to issue a *debt consolidation note, if* market conditions permit.

But with another $25m in notes falling due this year—out of a total debt estimated to be as high as $100m—the view in Cleveland is that the city will still need external assistance.

Low bids for Baltimore Canyon

BY DAVID LASCELLES IN NEW YORK

OIL INDUSTRY disenchantment with the Baltimore Canyon, the once hopeful new oil and gas exploration area off the New Jersey coast, was shown by paltry bidding at yesterday's lease auction in New York.

Total winning bids amounted to a mere $42m compared with the $1.13bn bid at the first auction in 1976. Bids for only 44 of the 109 tracts on offer were made by 45 oil companies, and the auction lasted less than half an hour.

The highest single bid—for $6.4m—was by a group headed by Tenneco, which is already active in the Baltimore Canyon area. The *average bid of less* than $1m per tract compares with an average of over $12m last time.

The question now is whether the Department of the Interior, which controls offshore auctions, will accept these low bids. It has 60 days to make what could be a highly controversial decision. The Government is trying to stimulate exploration. On the other hand, the oil companies' offers amount to only a fractio of the bids that had been expected.

The weakness of the bidding surprised even *oil* industry analysts. Mr. Bruce Lazier of Paine Webber, Jackson and Curtis, *had predicted total bids* of up to $660m. "This suggests that the oil companies are very dim on the prospects for the area," he commented.

Since drilling began in the Baltimore Canyon area last spring, more than a dozen *holes yielded* only one *significant* gas find. That was by a group headed by Texaco. Some wells have yet to be tested.

The Baltimore Canyon has aroused interest because it is the closest to the high energy consuming areas of the East Coast. Although never touted as another possible Alaskan North slope, the area, if productive, could serve a region stretching from Washington to Boston. Such hopes have greatly receded.

Oil import bill warnings

DR. JAMES SCHLESINGER, the U.S. Energy Secretary, yesterday *painted a gloomy* picture of the country's oil prospects due to the rising trend in world oil prices.

He told the Senate sub-committee the "undisciplined" price rises by several oil exporters in the last few days could bring the U.S. annual oil bill up to $55-60bn. Last year, the U.S. spent about $42bn on oil imports, which would imply a rise of some 30-40 per cent. This prediction is roughly in line with those from other forecasters in recent weeks.

He also predicted a $1 per gallon price for unleaded petrol, *which is currently in short sup*ply due to fast-rising demand from the new generation of environmentally more acceptable cars. This petrol now sells for around 75 cents a gallon.

Dr. Schlesinger acknowledged that the U.S. was powerless to do anything about the oil exporters' actions. He said the best counter-measures were to cut energy use at home.

As Dr. Schlesinger was speaking, Mobil joined the other U.S. oil majors in announcing a world-wide oil allocation programme. The company said deliveries of foreign oil would be reduced by about 9 per cent due to the uncertainties caused *by the Iranian crisis.*

Canadian economic growth below target

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN economy grew by just 3.4 per cent in 1978, well below the 5 per cent growth predicted last year by M. Jean Chretien, the Finance Minister.

The Statistics branch of the Federal Government has reported the gross national product rose $231.8bn. That was 10.3 per cent higher than in 1977, but real growth after taking inflation into account was only 3.4 per cent, slightly up from the 2.7 per cent in 1977.

Statistics Canada said that about one-half the increase in the country's total production was the result of an 8.5 per cent real increase in exports which had "a positive effect on profits and employment in export-oriented industries." This, however, was offset by a 4.1 per cent increase in the volume of imports, despite an increase of 12.7 per cent in import prices.

Tax cuts last year did little to increase consumer spending, but they did alter buying patterns, pushing consumers into buying household durables at the expense of goods such as food.

Overall however, the impact of these tax cuts was offset by cost of living increases and rising interest rates.

Robert Gibbens writes from Montreal: La Chambre de Commerce du Quebec, the provincial chamber, after a two-year study, says the Parti Quebecois government's plan for sovereignty with economic association with the rest of Canada would bring about an average 15 per cent reduction in Quebec's standard of living. The average Quebecer would have to work another six hours a week to maintain his standard of living.

THE FIRST BROTHER

Carter was not amused

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

BILLY CARTER, the President of the United States, has reluctantly decided, has gone far enough. Over the weekend, Jimmy Carter directed Mr. Robert Strauss, the Special Trade Representative and general political *handyman* in the Administration, to get in touch with the Washington Post and convey the official word that the President was dissociating himself from the First Brother's latest outrage. This consisted of derogatory remarks about American Jews.

It is nothing new for a President to have troubles with a brother. Since FDR's times, only President Eisenhower has escaped either fraternal embarrassment or the breath of scandal. Until now, President Carter had either stoically defended Billy's independence or ignored complaints about his behaviour. But, under mounting pressure and conscious of the political consequences of a failure somehow to bring Billy to heel, the President has acted.

What Mr. Strauss told the Washington Post demonstrates the President's dilemma. He quoted the President as saying: "I am terribly concerned with the whole situation of Billy, including his health. You know, Bob, I just totally disassociate myself from his comments. They are objectionable and foreign to everything about the way we live our lives."

In fact, Billy Carter seems in pretty bad shape at present. It is seriously thought that his gabled beer drinking habits have assumed dangerous proportions. His commercial ventures have gone nowhere—Billy Beer is no longer on the liquor store shelves. A grand jury is investigating the extent and use of the loans he obtained from the bank once headed by Mr. Bert Lance, family confidante and ex-budget director. And the celebrity talk show circuit is egging Billy on to be ever more outrageous. He does not have control of the Carter peanut warehouse business anymore—which is now up for sale. He has engaged in a couple of undignified scuffles *with journalists probing into his* business and private life and he is said to have been generous with the wealth generated by his sudden rise to popularity and may now be strapped for income.

This was perhaps why he latched on to an association with *the radical Libyan Government*, serving, for an unspecified fee, as a general public relations ambassador. It was in this capacity that he came up with such remarks as "the Jewish media are tearing up Arab countries all the time," and "there's a hell of a lot more *Arabians than there is Jews*" and, most unfortunately of all, "they (American Jews), can kiss my—expletive deleted—as far as I'm concerned." When brother Jimmy used the same phrase about Edward Kennedy in the 1976 campaign, that was fair comment. But brother Billy's excuse was hardly valid.

Any psychiatrist could come up with a perfectly good analysis of Billy's problems. It is certainly difficult not to feel sorry for him. He is clearly not equipped to deal with the public role thrust on him. Thirteen years younger than the President, he had always been the little brother in the Carter family, perhaps too often denied the responsibilities he felt he should have exercised. That presented no particular problem in the closeted atmosphere of rural Georgia, even while Jimmy was state Governor, but *has been ruthlessly exposed by* a vicarious media which was first delighted to publicise his "*Redneck*" qualities but which is now equally quick to exploit his defects and problems. He is now confused, unhappy and unwell.

But even private tragedy can have broader political consequences—and on two grounds these are of concern to President Carter. The first is general: it is said that President Carter runs too loose a ship, with too many cabinet ministers and aides spouting off too often in contradictory directions. The suspicion that the President is either disinclined or unwilling to control this, his critics allege, is reinforced by the fact that Billy Carter has been allowed to run off at the mouth unchecked.

The second problem concerns the President's relationship with the American Jewish Community. Mr. Carter, it is assumed, is going to be running for re-election next year from what, at present, appears a shaky base. His standing among American Jews, traditionally a major power in Democratic party politics, has never been overwhelming. Its high points (Camp David, for example) have by and large failed to outweigh the impression that this administration has significantly tilted U.S. foreign policy in an Arab direction, while its low points have been too numerous to mention.

To add to the President's troubles it was reported this week that his elder sister, Mrs. *Gloria Spann, had been charged* in Georgia with disturbing the peace—to whit playing a harmonica too loudly in a 24 hour waffle restaurant.

Mr. Carter might be tempted to follow the lead of Harry Truman, who tried to launch his daughter on a singing *career. But he* might remember that that had disastrous results. The trouble is that it may be harder to muzzle a harmonica player than an errant brother.

Scandal and snow rock Chicago Democrats

By Maralyn Edid in Chicago

CHICAGO'S POWERFUL Democratic Party machine was stunned on Tuesday night when Mr. Michael Bilandic, the incumbent mayor, apparently lost his bid to run as the party's mayoral nominee in the April general election.

With 96.45 per cent of the primary election votes counted by Wednesday morning, Mayor Bilandic trailed challenger *Mrs. Jane Byrne* (above) by 14,927 votes. The result will not be final, until the weekend.

Mrs. Byrne, 43, served as Chicago's Commissioner of Consumer Sales under the late Mayor Richard Daley, *and as co-chairman* of the Cook County Democratic Central Committee.

She retained her city job when Mr. Bilandic succeeded Mayor Daley in December 1976 but was fired the following November after accusing the new mayor of paving the way for a taxi fare increase.

Several months later Mrs. Byrne launched her campaign for the city's top office.

Her challenge was not taken seriously until two blizzards virtually paralysed the city this winter and several scandals over the award of no-bid city contracts to political colleagues rocked the Bilandic administration.

Almost half the city's registered voters turned out for the Tuesday primary, the second largest turn-out since 1939. The substantial vote helped push Mrs. Byrne to victory, as a big vote is considered a boon for party mavericks and independent candidates.

Mrs. Byrne carried the votes of the city's black population by a *2-1 margin. She was also* buoyed by a large number of registered Republicans who voted Democratic specifically for this election.

The election will be one of the roughest in history. Already 10 people have been charged with vote fraud.

Democratic Party leaders are pondering over their next move. While they have not yet given Mrs. Byrne their endorsement, some observers suggest the party will rally to her side to ensure it retains control of City Hall.

Nevertheless, rumours suggest that the party establishment will push Mr. George Dunne, Cook County Democratic Party chairman, as a write-in candidate against Mrs. Byrne in the April 3 election.

Mrs. Byrne did not dissociate *herself from the Democratic* Party during the campaign but insisted that the current leaders were inept. Inadequate snow clearance, deficient public transport during the winter storms and "cronyism" were her campaign themes. On Tuesday *night, she declared her* willingness to work with party regulars if they would work with her.

But now that the machine candidate has been ousted for the first time since its creation 50 years ago, the Republicans are starting to flex their muscles. Although Mr. Wallace Johnson, a local investment banker, was nominated on Tuesday as his party's candidate, several politicians have suggested the Republicans *should* find a stronger challenger now that the party has an opportunity *to capture City Hall.*

The name of Mr. Richard Ogilvie, former Illinois Governor, has been mentioned as an alternative to Mr. Johnson. But the elected nominee has dismissed the possibility of bowing out of the race.

*There have been increasing in*dications of Mayor Bilandic's vulnerability over the last two weeks, and he has aggravated his deteriorating position by his arrogance. He avoided the Press, denied that the city experienced snow clean-up problems, defended the contract awards, and likened criticism of his administration to "subversion" and his personal travail to Christ's crucifixion.

Textile lobby casts shadow over GATT negotiations

BY BRIJ KHINDARIA IN GENEVA

PRESSURES by the textile industry lobby have cast a shadow over the Tokyo Round trade negotiations here, which are now in their most intensive phase as negotiators in both the Common Market and the U.S. sides trying to wrap up the five-year-old negotiations in the coming weeks. The ability of the textile lobbies has injected new uncertainty about whether the package, the outline of which has begun to emerge, will survive the approval process by the U.S. and Community legislators.

In exchange for promises that the domestic industry, perhaps the largest employer in the U.S., will keep a low profile, President Carter has promised that textiles will be kept out of a Government procurement code which is to be part of the Tokyo Round package of measures to eliminate non-tariff barriers to trade.

The code is an innovation in world trade and was, in fact, made an important part of the Tokyo Round package on U.S. insistence after large sections of industry complained that developing countries and some European nations discriminated against American suppliers by *forcing* public agencies to buy certain fixed proportions of Government-financed purchases from specified domestic and foreign suppliers.

President Carter's commitments means in effect that U.S. Government agencies would be allowed to discriminate against foreign suppliers of textiles and clothing, and will be told to buy American even if foreign goods are cheaper and would have been chosen under competitive tender procedures.

The Common Market may turn a blind eye to the potentially restrictive effects of Mr. Carter's pledges if they make the overall Tokyo package more palatable to Congress. But it is still analysing the worst aspects to assess whether its textile exports to the U.S. will be hurt.

The impression here is that Community *negotiators* have come to a favourable conclusion and feel that the U.S. Administration's deal with the powerful textile lobby is a fair one which cannot hurt Community interests.

The pinch, if any, will be felt by clothing exporters in the advanced *developing* nations such as Hong Kong and Brazil.

Wage rises 'put exports at risk'

BY LORNE BARLING

BRITISH EXPORTS are being put at risk by wage increases which are higher than those in competing countries, and by the strength of sterling, Sir Frederick Catherwood, chairman of the British Overseas Trade Board, warned yesterday.

He said that even if wage rises in the UK were kept within single figures, other countries such as West Germany were aiming at 5 per cent, which had important implications for the prices of export goods.

"British exports are still heavily dependent upon price and we will lose orders and jobs dependent on them if our costs are substantially higher than those of our competitors," he said in the board's annual report.

The UK's recent export performance was creditable, he said, but some serious risks had become apparent. While Britain's reputation for reliable delivery had improved considerably, the recent transport strike had been damaging.

However, exporters had managed to recover remarkably well, often as a result of forward planning such as stockpiling abroad. He urged some clarification on the law covering the right to impede the free movement of goods which are not involved in a trade dispute.

Sir Frederick also expressed concern over the rising imbalance in visible trade with the European Community, which he believed was due partly to slower growth in EEC countries and the difficulty in these circumstances of increasing UK market share.

Another potential problem was the low rate of UK investment per worker when compared with other major exporting nations, although this had improved considerably since the early 1970s.

The most promising markets for the future, he believed, were those in Europe, which were secure and sophisticated. Unemployment in Britain could be eliminated if the UK share of these markets could be brought to parity with others.

Although the UK share of the West German market was increasing, it was less than half the French share. Some companies had proved Europe to be a very profitable market, and it was up to others to follow.

Inter-German trade stagnates

BY LESLIE COLITT IN BERLIN

FOR THE first time in over a decade, trade last year between the two Germanys *scarcely rose*, with the volume increasing by 1 per cent to DM 8.28bn compared with DM 8.73bn in 1977.

This was well below the overall expansion in West Germany's trade with Communist countries, and the outlook for this year is uncertain according to the West Germans.

In the second half of 1978, trade between West Germany and the German Democratic Republic actually fell by 2.2 per cent after rising by 7 per cent in the first six months.

A fall in East German exports to West Germany of 0.1 per cent to DM 4.06bn compared with an *increase of 2 per cent in West* German deliveries to East Germany of DM 4.75bn.

The East German shortfall was largely the result of heavy West German deliveries to East Germany of plant and equipment connected with industrial deals *concluded in 1975. They made* up DM 570m of total West German exports to East Germany compared with DM 295m in 1977.

East German exports of goods to West Germany actually fell by 2.6 per cent but were made up by an increase in the value of East German services.

Thus East German deliveries of mechanical and electrical engineering products fell by 17.1 per cent and East German exports of agricultural products dropped 9.1 per cent.

The effects on East Germany of the current extremely harsh winter will make it difficult to reduce its deficit this year. East Germany has imported some DM 100m in additional supplies of coal from West Germany after the country's lignite mines froze over in January and hard coal imports were interrupted from Poland.

Japanese plan more UK plants

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE hundred-strong Japanese import promotion mission to Britain concluded its visit to Scotland last night with a strong assurance that "negotiations were under way" to set up some manufacturing operations in Britain.

But Mr. Taiichiro Matsuo, president of the Marubeni Corporation, and leader of the team, said in East Kilbride that he doubted if any announcement would be made before the group left Britain in a week's time.

The talks concerning Japanese investment were highly confidential, he commented, but he said: "I am very interested in seeing something happen and I firmly believe some investment will take place in the UK as a result of our visit."

However, he warned that the group was not a buying mission and it could take some time for deals to be finalised. "This is not a buying mission. We are here to promote an expansion *of trade*."

Earlier the mission met Mr. John Smith, Secretary of State for Trade in Edinburgh when they discussed the large trading imbalance with the UK. Mr. Smith said that he wanted to avoid any further restrictions on trade between the two countries and would prefer to tackle the problem through increased British exports to Japan.

He thus welcomed the mission and hoped it would be successful.

He said that Britain was concerned that the ?—?— is a growing feeling in Japan that the problem is now less acute, whereas Japans surplus with the EEC in fact grew in 1978.

Mr. Smith pointed to the prospects for selling more British components to Japan particularly specialised electronic components and car components. He said that he hoped the Japanese public corporations, which have been relatively closed markets to foreign bidders could be opened up. Also, that Japanese trading companies might begin to look to the UK for procurement of machinery for Japanese organised and financed projects in third countries.

ARABIAN MARKETS

Time for new UK export initiative

BY DOINA THOMAS IN BAHRAIN

WHATEVER THE political advantages Britain is seeking from the Queen's current visit to the Gulf Emirates, Saudi Arabia and Oman, British businessmen ought to be looking at it as a means of strengthening their sales to this lightly populated but opulent region.

There are some signs that with the rise in oil revenues this year the *Gulf* recession is bottoming out, auguring moderately well for 1980.

British goods are being promoted and displayed in the shops with generous price discounts. But in a number of the Gulf states, British exports performance has lately been credit*able rather than good, and in* some it has been slipping. It is now time, according to one successful British export sales agency, to "start pushing and shoving in the souk" in order to get sales.

The states on the Queen's itinerary are an important component of Britain's trade with the Arabian peninsular, where the overall balance is slightly in favour of Britain. Last year the UK exported £3bn worth of goods to the Arab countries and imported £2.7bn from them, mostly oil.

The Emirates—Kuwait, Qatar *and the UAE*—and the Sultanate of Oman together accounted for 35 per cent of all British exports to the area. Saudi Arabia alone took £786m, or roughly a quarter of the total.

The UK's main competitors in the Gulf are Japan, the United States and West Germany. The main exports of Japan and the U.S. are cars, capital equipment and high technology consumer goods.

In Kuwait car imports accounted for 8 per cent of the $3.9bn 1977 import market and that sector is dominated by General Motors and the Japanese. The problem for Britain is that Ford is blacklisted and British Leyland—even when in *reasonable production—makes* very few vehicles truly suitable for the harsh conditions of road and climate in the Gulf. The two notable exceptions are the Land Rover and Range Rover which are seen throughout the Gulf.

Britain has had a fairly stable share of Bahrain's growing imports since 1974, when the figure was $440m to 1978 when the total is likely to be around $1.14bn, roughly the same as 1977.

There has been a strong upsurge in British exports to Kuwait. British goods have seldom accounted for more than 10 per cent of Kuwaiti imports but last year they rose by more than a third in value to £332m and Britain is Kuwait's number three supplier.

The National Enterprise Board and The Builder—a publisher of construction journals—are to be the major shareholders in a new company formed to assist UK building material and construction groups exporting to Saudi Arabia. Andrew Taylor reports.

The new company, Middle East Building Services—will have offices in Jeddah, and later in Riyadh, and will provide *among other services market intelligence and introduction for* construction groups exporting to Saudi Arabia.

However, the most important market for Britain among the Gulf states is the United Arab Emirates. Last year the UAE received £435m worth of British goods, mostly through Dubai *which is still* a considerable entrepot for the region, re-exporting both within the UAE and to the neighbouring states of Qatar and Oman, as well as southern Iran and Pakistan.

Britain has consistently occupied second place as a supplier to Dubai with Japan as the Emirate's prime source of imports. Last year Britain sold £310m worth of goods to Dubai.

There was a slight decline in overall British exports to the UAE though the federation's total imports for 1978 were probably level with those of 1977. The most severe import drop of any of the Gulf emirates, however, has occurred in Qatar, the smallest of the states in terms of population. British exports to Qatar last year dropped by 22 per cent and the market as a whole is expected to be only two thirds of its 1977 total.

Britain's exports have fallen most in the Sultanate of Oman, though other exporters have seen their trade drop too.

Trade relations between the Western world and the Gulf states have now moved on to a more sophisticated level as both parties have passed through the euphoria created by the quadrupling of the oil price rise in 1974. The Arab states have realised that present development spending entails future recurrent *commitments* which may be expensive, and that money cannot buy them everything at once.

The Western countries have learnt that the Gulf Arab cannot be shold everything that glitters, that behind those multimillion dollar incomes lie populations *only numbered in thou*sands, that real success is based on hard work and a genuine understanding of the market's needs.

Carter backs MFN for China and Soviets

By David Buchan in Washington

PRESIDENT CARTER hopes to extend most favoured nation (MFN) tariff treatment to the Soviet Union, as well as to China. And he told a meeting of state governors here on Tuesday night that, with Moscow allowing Soviet Jews to emigrate at the rate of 40,000 a year, there was a good chance that Congress would agree.

The Jackson-Vanik Amendment to the 1914 Trade Act bars tariffs concessions to Communist countries that are seen to restrict the free emigration of their citizens. However, it is the view of Senator Henry Jackson, one of the amendment's sponsors who has emerged as a powerful proponent of closer links with Peking, that Chinese emigration policy is liberal enough to escape the amendment's restrictions.

Mrs. Juanita Kreps, the U.S. Commerce Secretary, is due to visit Peking in April to start negotiations on a trade agreement which is expected to include MFN tariff and export credit concessions by the U.S.

The Administration is keen to appear even handed in its dealings with the Russians and Chinese, and it has given its tacit support to legislation introduced by Senator Adlai Stevenson, who chairs the Senate Banking Subcommittee on *international finance, to ensure* equality of economic treatment on credit and tariffs to the Soviet Union and China.

Mr. Carter told the state Governors that he had yet to receive a letter from President Leonid Brezhnev "when he has not mentioned his desire for *trade with the U.S.*" The lack of MFN treatment for Russian exports to the U.S. and of Export-Import Bank loans for American exports to the Soviet Union has restrained the growth in their bilateral trade.

Bolivia pins hopes to natural gas

By Hugh O'Shaughnessy

BOLIVIA WILL become a net *importer of oil by the end of* this year, according to Sr. José Patiño, general manager of YPFB, the Bolivian state oil company. He reported that present oil production had fallen below 33,000 barrels a day from a figure of around 45,000 b/d a year ago.

The prospect is gravely worrying the Bolivian authorities who are considering a range of measures to minimize the drain on foreign currency represented by the need to import fuel. According to Colonel Mario Candia, the Energy Minister, an effort will be made to use the country's natural gas more widely, especially for domestic consumption. Consideration has been given to building a pipeline from the gas field of the south-east to Cochabamba, Oruro and La Paz.

The local representative of the *Inter-American Development* Bank has hinted strongly in La Paz that the gas pipeline would be high on the list for forthcoming loans of $100m now being negotiated by the Bolivian Government. He added that a branch line could be laid to Sucre and Potosi. The capital cost is put at $40m.

Any rise in fuel prices is likely to come only after the Government of General David Padilla hands over to a civilian administration after elections scheduled for July 1. An increase is bound to cause great political trouble for any government which authorises it.

YPFB is drilling in the Santa Cruz area in an effort to confirm estimates of 7,000bn cubic feet as the reserves of gas.

Portuguese to launch Land-Rover rival in UK

By Kenneth Gooding

A PORTUGUESE company which lost its Land-Rover franchise in 1973 is now manufacturing a direct rival which will soon be on sale in the UK.

At least 750 of the vehicles, called the Portaro Pampas, are expected to be sold in Britain this year giving them around 5 per cent of the expected four-wheel drive market. The vehicle is on display at the motor show in Geneva.

The Portuguese company Sociada Electromechanica de Automotives (SEMAL) lost its Land-Rover franchise after 30 years in 1973 at the time of a reorganisation within BL, Land-Rover's parent group.

The UK will, therefore, be the most important export market for the Portaro and SEMAL does not expect that situation to change even when Land-Rovers become more freely available when production capacity is doubled by 1981. This is because it believes most of the extra Land-Rovers will be exported.

In the UK, the Portaro will be handled by a new company, Land Car Concessionaires, which has appointed 25 distributors.

The Portaro will go on sale in the UK on March 30 in three right-hand drive versions and at prices just below those for equivalent Land-Rovers.

Balance of trade target for computers abandoned

BY MAX WILKINSON

A SHARP deterioration in the balance of trade for the UK's computer products is recorded in a National Economic Development Council working party report published to-day.

It says that the adverse balance of trade for the industry in 1977 was £152m, an increase of 37 per cent compared with the previous year's figure.

The report, by the Electronic Computers Sector working party, cautions that export and import figures are unreliable, partly because of the complexities of transfer shipments between subsidiaries of multinational companies and partly because of the widespread use of common components in different systems.

The working party has now had to abandon the target of achieving a favourable balance of trade of £200m by 1980.

"The sector's balance of trade has continued to worsen over the last two years, and this objective is regrettably no longer regarded as realistic."

The UK is showing particular weakness in production of peripheral equipment, for which there is a growing market. The report suggests that the Department of Industry should try to promote product development by UK companies and to encourage multinationals to invest in the manufacture of peripherals in the UK.

"The industrial strategy for the UK computer industry must be based on a policy of selectivity. Given the impracticability of competing across the board in all potential product and application areas, the UK should concentrate its efforts to take advantage of growth opportunities in the fastest growing market segments."

The report points to the growing sales of "intelligent terminals" (including computing power) distributed networks of computers and of word processing equipment, as among the developments which have been accelerated by new micro-electronic technologies.

The turnover of the computer products industry in 1977 is shown as £705m, an increase of 12 per cent on the figure for 1976. The turnover of the computer services industry in 1977 was £265m, an increase of 17 per cent on the 1976 figure.

Employment in the computer industry fell from 53,000 in 1971 to 43,000 in 1977, but recovered to 46,000 in 1978.

The working party suggests that the industry would be helped by an extension of Government procurement policies to other manufacturers besides International Computers.

A manpower subcommittee says the industry could be badly hampered in the mid-1980s by shortage of skilled workers. It suggests that more effort should be made to co-ordinate and to extend the various training schemes and computer courses available, and to draw attention to the opportunities for employment in the industry.

Industrial Strategy: Electronic Computers SWP, Progress Report 1979 and Manpower Sub-Committee second interim report (National Economic Development Office, Millbank Tower, London SW1).

Worker-director law rejected

FINANCIAL TIMES REPORTER

MEMBERS of the Institute of Directors are almost unanimous in their opposition to worker participation at board level being enforced by law, accord-part in the poll.

More than 3,000 of the Institute's 30,000 members took part in the poll

Over 98 per cent of directors questioned opposed board participation being enforced. About 80 per cent of these said the effect of such legislation would be "disastrous."

Worker participation below board level was supported by 72 per cent of the directors, while 20 per cent went further by favouring employee representation at board level on a voluntary basis.

The results of the Institute's survey have been sent to Mr. John Smith, Secretary for Trade.

Mr. Denys Randolph, chairman of the Institute, commenting on the poll, said: "No support exists for legislation on so-called industrial democracy. The Government would be foolish to proceed with legislation based on a White Paper that has aroused such opposition from business leadership."

The Government plans to introduce an Industrial Democracy Bill this year.

First ban on 'bargain pricing' begins today

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE USE of manufacturers' recommended retail prices in the sale of beds will be banned from today when a new Government order comes into effect.

It means that retailers will be unable to claim unrealistic discounts on bed prices, either from notional prices set by the retailer on prices recommended by the manufacturer. The only case for allowing two prices to be displayed will be if the retailer can prove the discount is a genuine reduction from a past selling price held for at least 28 days during the previous six months.

Some other minor exceptions to the dual-pricing ban also will be allowed but only where the different circumstances applying to the transaction are clearly identified.

The ban follows a critical Price Commission report last year which found that only 8 per cent of retailers sold beds at the recommended retail price while in nearly half the shops the claimed discount was 30 per cent or more. "The abuse that has been revealed is, in our view, sufficiently serious to require legal intervention," said the Commission.

But the Government's attempts to ban misleading bargain offers in general is still running into stiff opposition from manufacturers and retailers.

The Government's aim is to prevent retailers from displaying prices, or advertising them so as to mislead consumers by implying that savings are being offered when they are not. Such statements as "10p off manufacturers' recommended price" or "worth £36 — only £19.95" would be made unlawful by the order. But the advertising of genuine reductions, where the price has been held for 28 days in the previous six months, would still be allowed.

Mr. Roy Hattersley, Prices Secretary, is committed to banning bogus bargain offers and hoped to do so from early this summer, but he may be delayed by the strength of opposition. He also faces argument from within the Government that the move is too interventionist in the current political climate.

A new survey of consumers' attitudes towards bargain offer claims, carried out as normal market research by the Argos discount stores chain—which is owned by Mr. Richard Tompkins along with the Green Shield trading stamp operation—suggested that consumers were not being mislead by dual pricing and, in fact, welcomed such information.

The survey found that nearly eight out of 10 consumers wanted dual-pricing and only just over 4 per cent did not.

Safety training urged for engineers

By Paul Taylor

HEALTH AND Safety instruction should be included in basic training for professional engineers, Mr. Bill Simpson, chairman of the Health and Safety Commission said yesterday.

Mr. Simpson, speaking at a one-day seminar in London on Safety Responsibilities in the Public Sector, organised by the Institution of Municipal Engineers, said such training was one of the main points made by the Health and Safety Executive in its evidence to the Finniston inquiry into the engineering profession.

Engineers needed to understand the Health and Safety at Work Act and the practical solutions to health and safety problems if they were to maintain their professional status, Mr. Simpson said.

However, it was apparent from some applications for posts as factory inspectors that some engineers were ignorant of standards and practices in this field.

Mr. Jim Hammer, Chief Inspector of Factories, drew particular attention to the responsibilities of local authorities for the health and safety of the public as well as their employees.

Brokers see end to growth of demand

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GROWTH of demand in the economy is set to slow markedly in the months ahead, most noticeably in the consumer sector, according to City stockbrokers Phillips and Drew.

The brokers argue that consumer spending growth will come to a virtual halt in the first half of this year and remain more or less steady at least into the second half of next year, while capital spending is also likely to be flat.

The current account of the balance of payments is expected to remain in modest surplus this year and next, and this may lend support to sterling on the foreign exchange markets.

The authorities' task in maintaining control over the money supply will probably be eased not only by a slowdown in the growth of credit demand associated with a slack economy but also by a strong expansion in investible funds available to the financial institutions.

Consequently, the gilt-edged market is expected to remain on an improving trend through this year, probably after a period of consolidation during the next few weeks, with yields on long-dated gilt-edged stock in the 11 to 12 per cent range by the end of 1979.

In a discussion of the Budget prospects, brokers Savory Milln point out that it would not be impossible for the Government to hold down the public sector borrowing requirement if it was so minded, although this may involve political divisions.

The brokers also say it is not inconceivable that the Budget speech will announce a reduction in Minimum Lending Rate on the grounds that fiscal policy was being tightened to ease the burden hitherto borne by monetary policy.

Brokers Capel-Cure Myers forecast a rise in pre-tax profits of around a tenth this year, helped by an expected increase in profits on stock appreciation of nearly 23 per cent and the growing contribution from North Sea activities.

Excluding the contribution from North Sea operations the growth in profits is likely to be nearer 5 per cent.

The cash flow position of companies is likely to deteriorate, with a financial deficit of around £4bn, compared with £2.9bn last year.

Coal consumer groups seek action on prices

BY DAVID CHURCHILL

THE COAL industry's consumer watchdog, the Domestic Coal Consumers' Council, yesterday sharply attacked lack of Government action over a price fixing restrictive practice uncovered in Wales last year.

The Council, in its annual report published yesterday, said victims of the price fixing agreement—who had to pay higher prices for coal than consumers in other parts of Britain—should be entitled to some compensation.

The restrictive practice was uncovered last year by the Price Commission and involved some 14 coal merchants in West Wales. The Commission had recommended that the profit margins of the 14 merchants be restricted, but Mr. Roy Hattersley, Prices Secretary, decided instead to refer the agreement to the Office of Fair Trading.

The 14 merchants later registered their agreement as a restrictive trade practice, and agreed not to continue with it.

But the council said yesterday: "In spite of the Price Commission's evidence of a price cartel, and the existence of an agreement, no action has been taken to impose sanctions on these merchants who overcharged their customers."

The council says there is "a strong case for making it easier for consumers and consumer bodies to take legal action against companies which operate unregistered agreements."

It adds: "Some recompense should be made to those consumers who have had to pay more for their coal than they should."

Mr. David Tench, legal adviser to the Consumers' Association and chairman of the council, also disclosed yesterday plans to reform and strengthen the council. Proposals include giving it statutory rights to information and a direct line to the Government in times of difficulty. It is planned also to scrap trade representatives on the 24-strong council, leaving just consumer representatives.

The council's report also attacks the Government for failing to offer special help to people on low incomes who use coal, while offering £45m in discounts for low income users of electricity.

Snow and strike blamed for Berry group failure

FINANCIAL TIMES REPORTER

THE LORRY drivers' strike and the harsh winter combined to kill the Berry furniture group of East London, a creditors' meeting was told yesterday.

More than 100 people were made redundant and creditors for £748,196 face substantial losses.

Mr. Joe Berry, the fourth generation of his family to control the business, told the meeting in London that just before Christmas he felt the company was "poised for success."

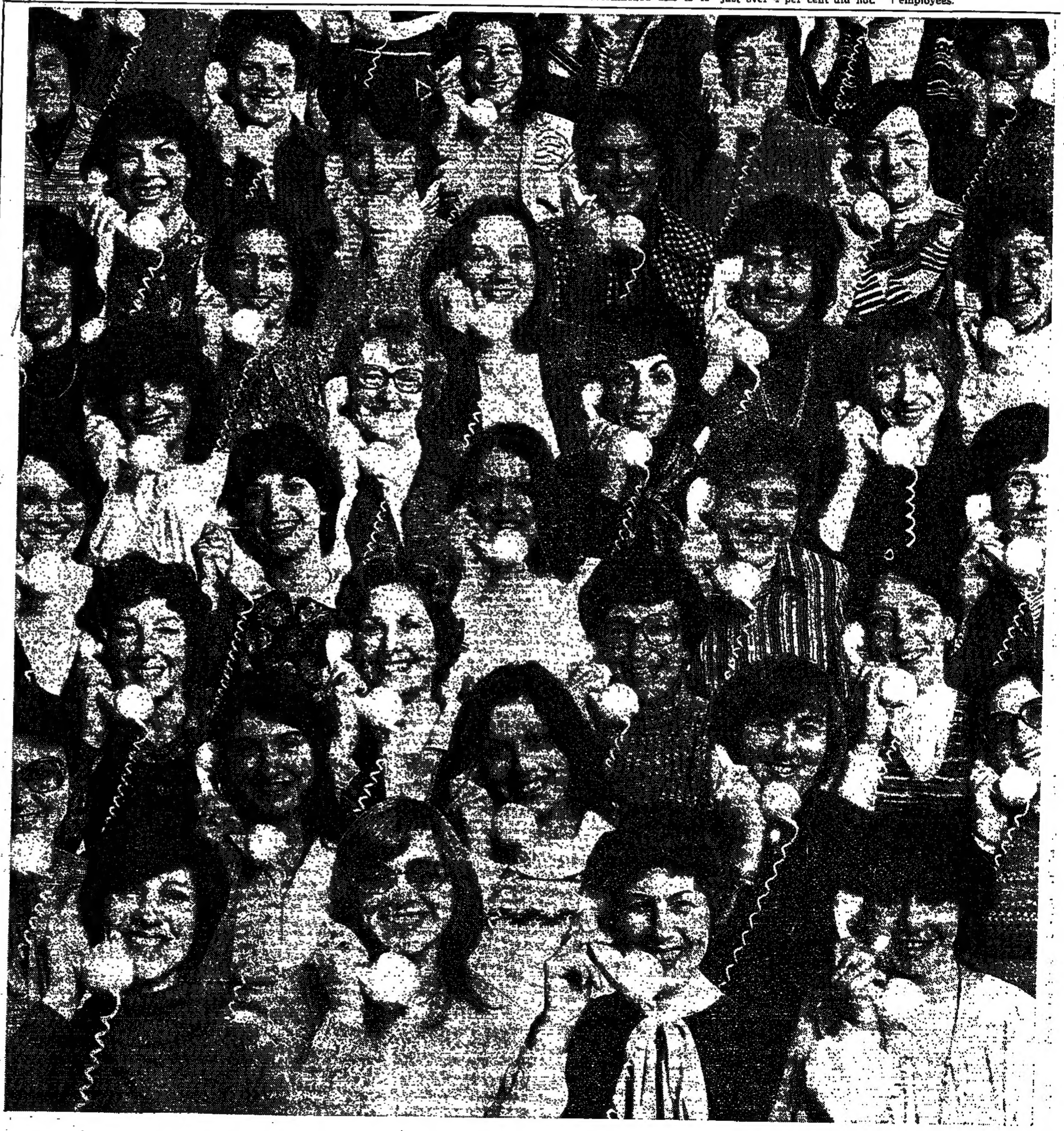
A new range of higher quality furniture was to be introduced this year and the directors believed the company's future was secure. Then within a month, there was a very rapid rundown.

Retailers could not sell any furniture because of the weather.

"I have always felt a moral obligation to my creditors, most of whom I have known personally for many many years, and the move for liquidation was to protect their interests," Mr. Berry said.

A statement of affairs showed unsecured debts of £611,613 and preferential liabilities of £136,583. Assets are estimated to realise £433,939 and on that basis there will be a deficiency to creditors of £314,257.

Two accountants, Mr. Richard Turton, of Spicer and Pegler, and Mr. George Auger, of Stoy Hayward and Partners, were appointed joint liquidators.



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Government rules out big spending to fight pollution

BY PAUL TAYLOR

THE GOVERNMENT is to spend an extra £1.5m this year on new equipment to combat the threat of oil pollution at sea, and £500,000 a year on maintaining improved anti-pollution measures.

Government reports have again ruled out a large increase in expenditure for, for example, funding of a special fleet of anti-pollution vessels or salvage tugs.

Who pays?

In accepting four specialist reports on marine pollution published yesterday by the Department of Trade the Government has committed itself to increasing the annual expenditure on anti-pollution measures from £300,000 to £500,000, in adidtion to the extra staff costs connected with the recently formed Marine Pollution Control Unit. However, the reports brought an immediate unfavourable response from the local authority associations who argued that the Government had failed to come to grips with crucial questions, such as who paid for shore pollution from unidentified sources. The four reports, which follow the Amoco Cadiz and Eleni V tanker disasters last year, complement a main review of oil pollution contingency plans published in August. The latest reports deal with the subjects of command, control and communications, resources and research development, salvage and liability and compensation for marine oil pollution damage.

In addition to the extra financial comimtment by the Government for anti-pollution measures the Government has also agreed to press for an increase in the existing levels of international compensation for oil pollution disasters.

The reports make a series of recommendations for further Government action, these include:

- Closer liasion between the Department of Trade and other Departments and agencies in a pollution emergency including an on-site commercial centre and an information centre in London.
- Improved communications equipment to link aircraft, land and sea units.
- Greater chemical dispersant facilities including the purchase of six sets of an oil recovery system, additional spraying gear and the payment of a retainer on a large aircraft for aerial spraying. However the expense of buying or chartering vessels solely for anti-opllution duties "is not justified."
- Additional and speeded up research and development into the problems caused by oil spillages at sea.
- Although there is "no case" for the Government keeping deep sea tugs on stand-by at key points round the coast the report recommends this should be "kept under review."
- The Government should set up two centralised caches of specialised equipment to off-load a vessel of its oil.
- A detailed study of possible ports of refuge should be undertaken.
- Further measures should be taken through the Inter-Governmental Maritime Organisation to extend liability conventions to cover all forms of oil spillage and for an increase in compensation funds.
- The cost of oil spills caused by unidentified spills should be further examined.

Mr. John Smith, Secretary for Trade said yesterday that the additional provisions entailed in the report would be financed from within his Department's overall budget.

'Improvement'

He said the developments would represent a "considerable improvement" in provisions to deal with pollution emergencies "without the great expense of maintaining dedicated vessels which would rarely be used."

The Association of District Councils described the reports as "a backward step" because they failed to offer any real hope that the oil pollution threat would be diminished or "properly paid for," and the Association of County Councils said the reports displayed a "negative attitude on several crucial issues."

Liability and Compensation for Marine Oil Pollution Damage and Improved Arrangements to Combat Pollution at Sea; from Marine Library, 90/94, High Holborn, London; free.

Directors' Institute challenged over job

BY LISA WOOD

The Institute of Directors is being taken before an industrial tribunal by its former director general, Mr. Jan Hildreth, who is seeking reinstatement in the post or compensation.

Mr. Hildreth said yesterday that he had left the Institute in December because restructuring had meant that he lost the job he had been carrying out for the past four years.

Mr. JAN HILDRETH
Reinstatement or compensation

In the restructuring, worked out by a management consultancy and backed by Mr. Denys Randolph, chairman of the Institute, Mr. Hildreth's role was narrowed to that of a spokesman for the organisation, which has 30,000 members.

Charity plan

Administrative functions previously his were transferred to a new head of administration.

Mr. Hildreth said yesterday: "I shall be making a claim for reinstatement at the tribunal. Otherwise I want compensation for the loss of my job." He declined to say how much he would be claiming but said that as his contract had a further year to run, he would like compensation equal to his salary for that period.

He said he was now looking for a new job, writing a book and had plans to set up a charity for physically handicapped people.

The Institute had no comment to make.

Society chief predicts big fall in home loans

BUILDING SOCIETIES will provide cash for 50,000 fewer mortgages this year, the Alliance Building Society predicted yesterday.

The movement will lend money for about 750,000 mortgages this year compared to 801,000 in 1978, Mr. Roy Cox, the Alliance's chief general manager, said. He based that on the assumption that funds advanced would total £8.7bn, equal to last year's figure, while the average advance would rise by 10 per cent.

The Alliance is lending £25m a month, about 15 per cent down on this time a year ago. With the larger average size of loan, the number advanced is cut by about 20 per cent, Mr. Cox said.

But he expects the society's lending to rise later this year, so funds advanced in 1979 will equal the 1978 figure.

He was speaking at the launch of a new "escalator" bonus share scheme, whereby investors gain increasing bonuses the longer they keep money on deposit. They are guaranteed a fixed level of bonuses on top of the current basic building society savers' rate. The yearly bonus is ½ per cent tax-paid in the first year, increasing to 3 per cent in the fifth and final year. An investor completing the term gets an average bonus of 1½ per cent. And he can withdraw any time after the first year on three months' notice.

It is the first time that a society as large as the Alliance — the sixth biggest — has offered a combined premium interest rate and facilities for early withdrawal. The best that most other major societies can do is 1½ per cent over the basic share over four years—with no early withdrawal option.

The Alliance's annual report issued yesterday showed that its net profits before tax fell from £7.9m to £2.9m last year. This reflected the society's decision to pay ¼ per cent more than the Building Societies' Association recommended rate for three months last year.

Its profits also suffered from two rises in savers' and mortgage interest rates. Each cost about £1m after corporation tax because there is a delay in implementing the higher rates for borrowers.

The Chief Registrar of Friendly Societies, Mr. Keith Brading, yesterday decided that the Anglia Hastings and Thanet Building Society was justified in rejecting a bid by two members to join the board.

The members, civil servant Paul Twyman and broadcaster Leslie Smith, asked to join the board without any election procedure. They said that under the society's rules the board could have up to 20 members. Currently it has only 12. But the board had replied that the rules gave it the right to decide on the number of directors needed. It had agreed that 12 was sufficient, so there were no vacancies for new directors.

Tory talks of grant for home-buyers

FINANCIAL TIMES REPORTER

A SYSTEM of generous grants would be introduced to help first-time buyers if the Conservatives won the General Election, their housing spokesman, Mr. Hugh Rossi, has indicated.

Interviewed in National Builder, journal of the National Federation of Building Trades Employers, Mr. Rossi said the Tories had looked closely at a scheme in Australia by which home-buyers got a grant equal to half the deposit they saved.

He indicated that housing reforms likely to be implemented by the Tories were an increase in the £25,000 limit on mortage tax relief; promotion of council house sales to tenants; relaxation of the Rent Acts to encourage landlords to let more homes; repeal of the Community Land Act; and changes in operation of the development land tax.

On grants for home-buyers he said: "This cannot be an open-ended commitment, because if it was the price of houses would be increased if the supply was not available. Also, if we were thinking in terms of curtailing public expenditure, a scheme of this kind could get out of hand.

"So a grant would have a maximum, something of the order of £1,000." He thought it would be "limited to houses up to a given figure."

Of the Community Land Act he said: "The bureaucratic powers that it has given local authorities have not worked because local authorities do not possess the necessary entrepreneurial skills to identify land for development purposes."

Contracts placed for Torus project

By David Fishlock, Science Editor

CONTRACTS WORTH about £20m have been placed for components of the Joint European Torus (JET), one of the most ambitious engineering ventures under construction in Britain.

The £120m JET project (January 1977 prices) is an EEC experiment in harnessing thermonuclear fusion, the controlled release of energy by the processes used in the hydrogen bomb.

Two members of the JET project team paid tribute yesterday to European — including British — industries for the rapid technical progress with JET, formally approved by the EEC Council of Ministers only nine months ago.

Mr. Michel Huguet and Mr. David Smart, delivering the James Clayton Lecture to the Institution of Mechanical Engineers, said a manufacturing contract for the doughnut-shaped ultra-high vacuum chamber, made of Nicrofer nickel alloy, has been placed with Morfax in Britain.

This 68-ton chamber has been designed to withstand crushing forces of 640 tons imposed by the atmosphere and another 320 tons imposed by the magnetic field which surrounds it.

CEM in France is making the 2,600-ton transformer core, and the Oerlikon factory of BBC in Switzerland one set of field cores for the Torus.

European communication satellites ordered

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AEROSPACE'S Dynamics Group, acting on behalf of the Mesh consortium of European space companies, has signed a £73m contract with the European Space Agency for two European Communications Satellite (ECS) vehicles and two MARECS maritime communications satellites, a derivative of the ECS.

The satellites will be launched —using the European Ariane launcher vehicle, now under development—from the launch site in Kourou, French Guiana, starting in 1980.

The members of the Mesh consortium, in addition to British Aerospace, are Matra of France, Erno of West Germany, Saab-Scania of Sweden, Aeritalia of Italy, Inta of Spain and Fokker-VFW of Holland.

Ticket collector's pocket £2.5m

TICKET COLLECTORS at London Underground stations are pocketing about £2.5m a year of the excess fares paid by passengers — almost half the cash handed to them.

This is claimed in a London Transport document sent to the Greater London Council and "leaked" yesterday by Mr. Roger Hiskey, a member of the GLC's London Transport Committee.

This fraud is in addition to another estimated £5m lost through fraud by passengers.

Base rate raised

Finance House base rate is raised to 13½ per cent from today. The rate is wholly objective in that it is based on the average cost of three-month money in the inter-bank market for the past eight weeks. It provides finance houses with a base on which to calculate lending charges. The rate has been unchanged at 12½ per cent for the past two months.

Holidays record

Lower air fares and cheaper foreign currency attracted a record number of British holidaymakers abroad last year and brought an all-time high in spending.

Railways cheer

British Rail broke even on its freight services for the first time last year and should become profitable this year, said Sir Peter Parker, British Rail chairman.

Show attracts 160

More than 160 motor equipment manufacturers will be exhibiting at this month's trade-only motor components and accessories show in London. It looks set to be the largest of its kind held in the UK, said the Society of Motor Manufacturers and Traders.

Fellowship launched

A new initiative in the study of urban renewal and regeneration has been launched by the Royal Institute of British Architects with the announcement that a major Fellowship, to be worth £2,000, is being made available this year.

Aid for exporters

The National Enterprise Board is backing a new company set up to help UK companies develop and increase exports of building materials, components and specialist construction services to Saudi Arabia.

Institute panel to review Lonrho's latest accounts

BY MICHAEL LAFFERTY

THE English Institute of Chartered Accountants is going ahead with the proposed review of the latest accounts of Lonrho. The decision was taken yesterday by Mr. Martin Harris, chairman of the Institute's professional standards committee, following a personal examination of Lonrho's 1978 annual report.

Mr. Harris's decision to set up a panel of senior accountants to review the Lonrho accounts follows a recommendation by the Institute secretariat last week. At the time, however, Mr. Harris said he wanted to look over the accounts himself before giving approval.

One of the first problems the Institute now faces is in finding three accountants from large firms or companies who are entirely independent of Lonrho, which has widespread interests throughout the world. According to Mr. Paddy Moore, secretary of the ICA, professional standards committee, the review could take months. It would be up to Lonrho whether the outcome should be publicised.

The review panel will examine Lonrho's departure from the accounting standard on associated companies, through its decision to include a proportion of the profits of House of Fraser with its own. In adidtion, all other accounting policies which have been the subject of criticism will be considered.

Both Lonrho and the joint auditors, Peat Marwick Mitchell and Mann Judd, said last night that they had not been informed of the Institute's decision to form a review panel. Mr. Basil West, Lonrho's finance director, who maintained last week that the Institute was interested only in certain technical points on the accounts, commented: "I am absolutely staggered." The company had put a great deal of professional effort into the 1978 accounts.

Mr. Jim Butler, the Peat Marwick partner responsible for the Lonrho audit, said he could see no reason for the panel to be established. "I would not expect anything significant to come out of it."

Both firms of auditors said they would co-operate fully with the panel.

Fear of cheap steel imports

BY ROY HODSON

STEEL-USING INDUSTRIES and stockholders expect cheap foreign steel imports to take more than one quarter of the British market if British Steel Corporation persists with its plan to raise the prices of many of its products by 7 per cent from April 1.

Industry faces an increase of £85m in its annual steel bill if companies remain loyal to British Steel and pay the proposed higher prices.

Steel imports in Britain are already at an all-time peak of more than 20 per cent.

Mr. Ernest Barrett, president of the National Association of Steel Stockholders, said that to avoid stimulating a new inflow of foreign steel the corporation should restrict any price increases to selective rises applied to specific types of steel.

Representatives of the British Iron and Steel Consumers' Council met the corporation yesterday and expressed the concern of member industries about the proposed rises.

In a recent report the council complained that British Steel's hourly labour costs are among the lowest of any steel producer in Europe

Industry chiefs angry at contract 'race clauses'

THE Confederation of British Industry is strongly opposed to the Government proposal to put a clause in Government contracts requiring companies to prove they comply with race relations policy.

This opposition will be made clear at the meeting soon between the Government and the CBI following an exchange of letters between Mr. Merlyn Rees, the Home Secretary, and Sir John Methven, CBI director-general, since the Government proposed it last November.

A CBI statement yesterday said: "The CBI wholeheartedly supports the principle of equal opportunity in employment for racial minorites, but is strongly opposed in principle to the inclusion of a race relations clause in Government contracts. We are against any attempt by Government to use ts purchasing power to enforce policies not connected with the object of its contracts."

The Government's proposal that contractors compulsorily supply information about their employment policies and practices on request from the Department of Employment. The request would cover at first less than half of the 800 firms carrying out Government contracts, but include the largest contractors.

The CBI's stance is consistent with its opposition to the Government's proposal to put clauses in Government contracts requiring that companies agree to follow the pay guidelines. It believes the Government is trying to enforce a policy on companies without having statutory backing. The pay contract clauses were dropped under the current phase of pay guidelines.

Low paid inflation 'not higher'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

HOUSEHOLDS with lower incomes do not experience a higher rate of price inflation than the average according to a survey published in the Department of Employment Gazette.

The average rise in prices faced by different groups of households in the UK between 1970 and 1977 was almost identical—contrary to many arguments put forward in the debate about the impact of inflation on poor famiiles.

Between these years, the rate of increase in the retail price index, covering the cost of all goods and services, was almost 150 per cent. For a wide range of types of household, the average increase in prices varied only between 147 and 153 per cent.

The impact of price increases in measured in relation to various households—the retired and those still at work, those with large and small families as well as those with varying levels of income.

The information is drawn from the Family Expenditure Survey for 1977. Prices increased by 148 per cent on average for all households over the period. Within the overall range of 147 to 153 per cent there is no clear pattern showing distinct groups of households consistently faring relatively well or badly.

The department says the study shows fears that households with lower incomes or large families have been particularly badly hit are unjustified. This is only a very small overall variation even after account is taken of individual circumstances in housing.

In the shorter term slight differences emerge. Between 1975 and 1977, for instance, retired households and those with larger families faced somewhat higher average price rises (39 per cent) than households as a whole (36 per cent).

- The Gazette also includes Family Expenditure Survey data for the second quarter of last year showing the average household spent nearly £77 a week.

This was almost £7.50 a week higher than a year earlier.

- New figures for labour turnover in manufacturing in December indicate a decline in the four-month moving average of both total engagements and discharges during 1978.
- There was a further decline in the number of workers employed in both production and manufacturing industries in the month to mid-December. Employment in production industries in the UK then was 9.08m. This was 13,200 lower than in the previous month and 58,400 lower than a year earlier. The drop in manufacturing during 1978 was 65,300.

The West draws up its oil strategies

BY KEVIN DONE, Energy Correspondent

THE UK is offering to play its part in cutting the industrialised world's oil demand by burning more coal in its power stations. The offer has obvious domestic political attractions but its ultimate credibility remains to be tested in what are bound to be tough negotiations between the Department of Energy and the Central Electricity Generating Board.

It will form the UK Government's main card, however, in the negotiations today and tomorrow of the International Energy Agency in Paris.

The IEA was formed in the wake of the last oil supply crisis in 1973-74 as part of the industrialised world's response to the quadrupling of oil prices and the accompanying Arab oil embargo. It has 19 members and includes all the major non-Communist oil consuming nations with the exception of France. Today's meeting of the Agency's governing body has been called to try to orchestrate the oil-consuming nations response to the shortfall of world oil supplies that has resulted from the complete halting of Iran's crude oil exports.

The impact of the loss of more than 5m barrels a day of crude from Iran has taken many weeks to work through the oil supply system. But the point has now been reached at which the IEA feels that concerted action must be taken in the industrialised world to cut oil demand if more serious problems are not to develop later this year.

When Iran resumes exports and at what level it will be able or willing to produce is still uncertain. But what has become increasingly clear in recent weeks is that the world oil supply picture has been irrevocably changed by the events in Iran. The so-called glut of crude oil that existed on oil markets less than a year ago has disappeared with indecent haste. In the short-term some OPEC producers—and in particular Saudi Arabia — have stepped in to fill part of the gap left by the loss of Iranian exports, but it is unlikely that they will be willing to maintain such high production level indefinitely. Sheikh Ahmed Zaki Yamani, the Saudi Arabian Oil Minister said in London this week that Saudi Arabai would be reluctant to carry current high production levels forward into the second quarter, unless there was a very serious need to do so.

Severe strain

This suggests that production from countries such as Saudi Arabia will quickly fall back if exports from Iran resume at a significant level, leaving world oil supplies still under severe strain. The point in the mid-1980s when most forecasters had expected world oil demand to catch up with available supplies has effectively been brought forward to 1979.

The supply system can still cope in the short-term by meeting the net shortfall of about 2m barrels a day by reducing stocks, but today the IEA will be explaining to member governments that action is also needed to reduce oil demand in the industrialised world.

According to the IEA's latest figures oil stocks in member countries at the beginning of this year stood at about 385m to 390m tonnes. This represents supplies for about 69-70 days at winter demand levels. During the winter stocks would normally be drawn down by about 2m barrels a day, but because of the loss of Iranian exports stocks have apparently been falling at the much faster rate of some 3.4m barrels a day. The result is that by the end of March stocks are likely to stand at 345m to 350m tonnes. This is far from disastrous and at spring and summer levels of demand still represents about 71 days of supplies. But most importantly, with the world oil supply system inevitably under strain for the rest of the year, countries will be unable to build up stocks in readiness to face the peaks of demand next winter.

The IEA cannot order members to cut back oil consumption, it can only recommend action, but it clearly hopes that member governments will be willing to back any promises made with executive or legislative action where necessary.

The IEA could take direct action if world oil supplies had dropped by 7 per cent or more. Member countries have agreed an emergency oil sharing programme, which would allow available oil supplies to be shared equally among the 19 countries. At the same time countries would take immediate action to cut oil consumption by 7 per cent.

In the event oil supplies have fallen by about 3 to 4 per cent, so requests for conservation measures can be met only by voluntary action.

The panoply of measures available to governments became familiar during the 1973/74 crisis. It is possible to order thermostats in offices to be turned down along with a reduction in lighting and perhaps a ban on display lighting. Speed limits could be imposed for motorsts, there could be a ban on Sunday driving and a reduction in petrol stations' opening hours.

It will be up to individual countries to adopt measures suitable for their conditions, but in the UK at least, it is unlikely that the Government will resort to any such actions in the short-term. It is placing greatest emphasis on cutting oil demand by greatly reducing the amount of fuel oil that is burned in power stations.

Mr. Anthony Wedgwood Benn, the Energy Secretary, has already proved himself a staunch supporter of the UK coal industry in his unflagging efforts to persuade the Central Electricity Generating Board to burn more of it. This winter he instituted a £17m subsidised coal-burn programme, which has persuaded the CEGB to burn nearly 3m tons more coal over the last five months.

Mr. Benn —staunch supporter of coal.

The result is that the CEGB will have burned about 74.5m tons of coal in the 12 months to the end of March. The Government will today suggest to the IEA that this figure can be pushed up by a further 5.5m tons to about 80m tons in 1979/80. This would reduce the amount of oil burned by about 2.5m tons (the figure is this low because the coal-fired stations brought into action will be less efficient than the oil-fired stations and will therefore have to burn more coal to produce a similar amount of electricity), which will be about equal to a cut of 3.5-4 per cent in UK oil demand.

Mr. Benn has held one preliminary meeting with Mr. Glyn England, chairman of the CEGB, to discuss the idea of burning more coal, but it is far from accepted yet by the electricity industry. Grave doubts exist about whether extra coal production of this magnitude could physically be made available from UK pits and whether the railways have enough rolling stock to move it.

For the moment, however, this idea will form the Government's main response to calls for greater conservation, although it will also look at ways of reducing oil demand in the public sector.

Other countries will be adopting other strategies. In the U.S. President Carter is trying to push through a programme of stand-by energy conservation measures reminiscent of 1973-4, Japan has already tried to take measures to cut back demand voluntarily, and France and the Benelux countries have started a system of licensing all oil product exports.

If the industrialised world moves quickly to cut demand in a sensible manner, it will have gone a long way towards meeting the problems that would otherwise develop next winter. But most important in the short-term, it will have demonstrated to the oil producing countries that it has the will to try to shoulder some of the responsibility for dealing with the present problem.

OPEC meets in just over three weeks in Geneva to discuss world oil supplies and possible further rises in crude oil prices. Without some step towards conservation in the oil-consuming nations, countries such as Saudi Arabia, which are trying to hold back the present wave of independent price rises among OPEC members will have little realistic evidence to offer to back their case for moderation.

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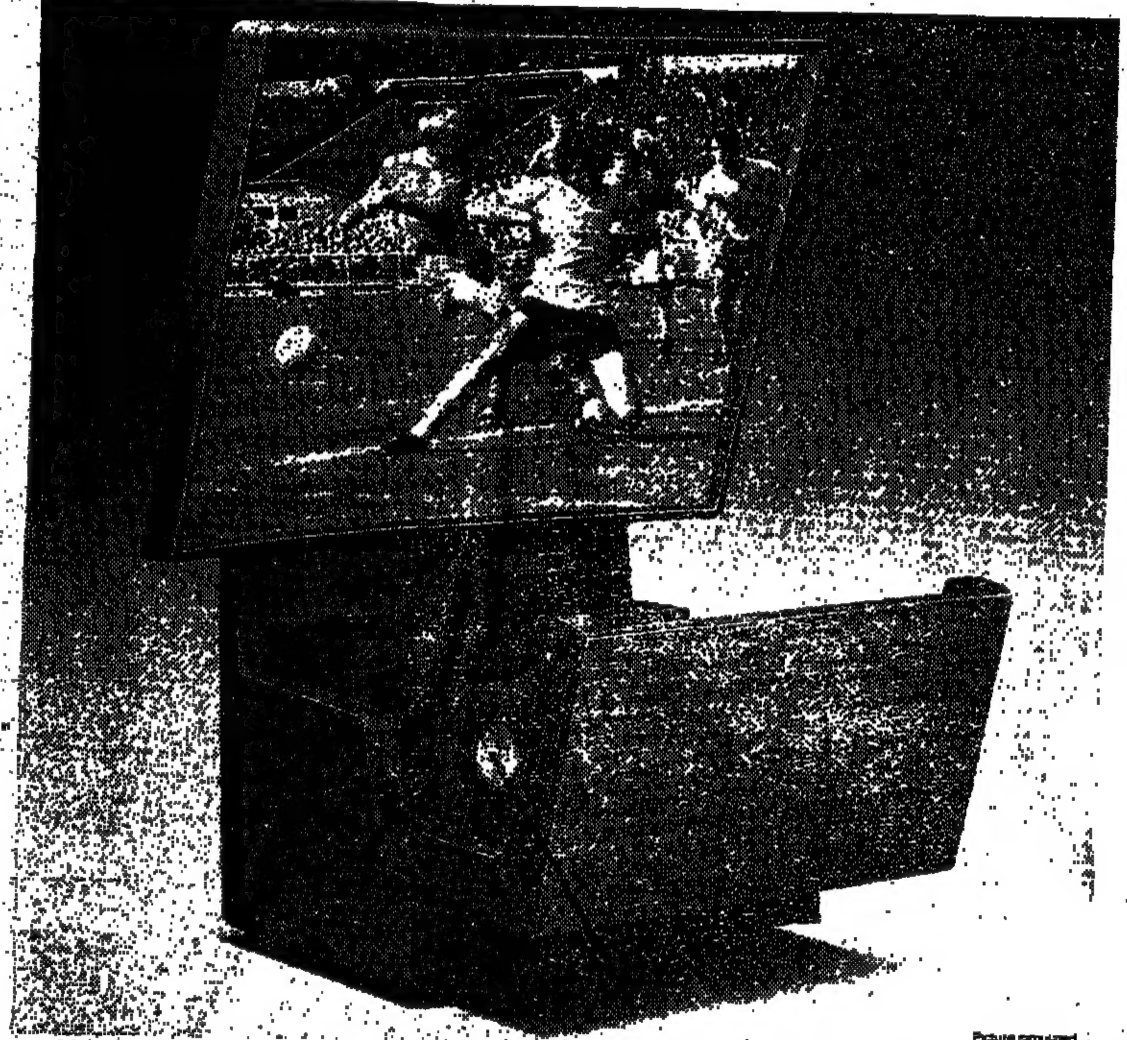

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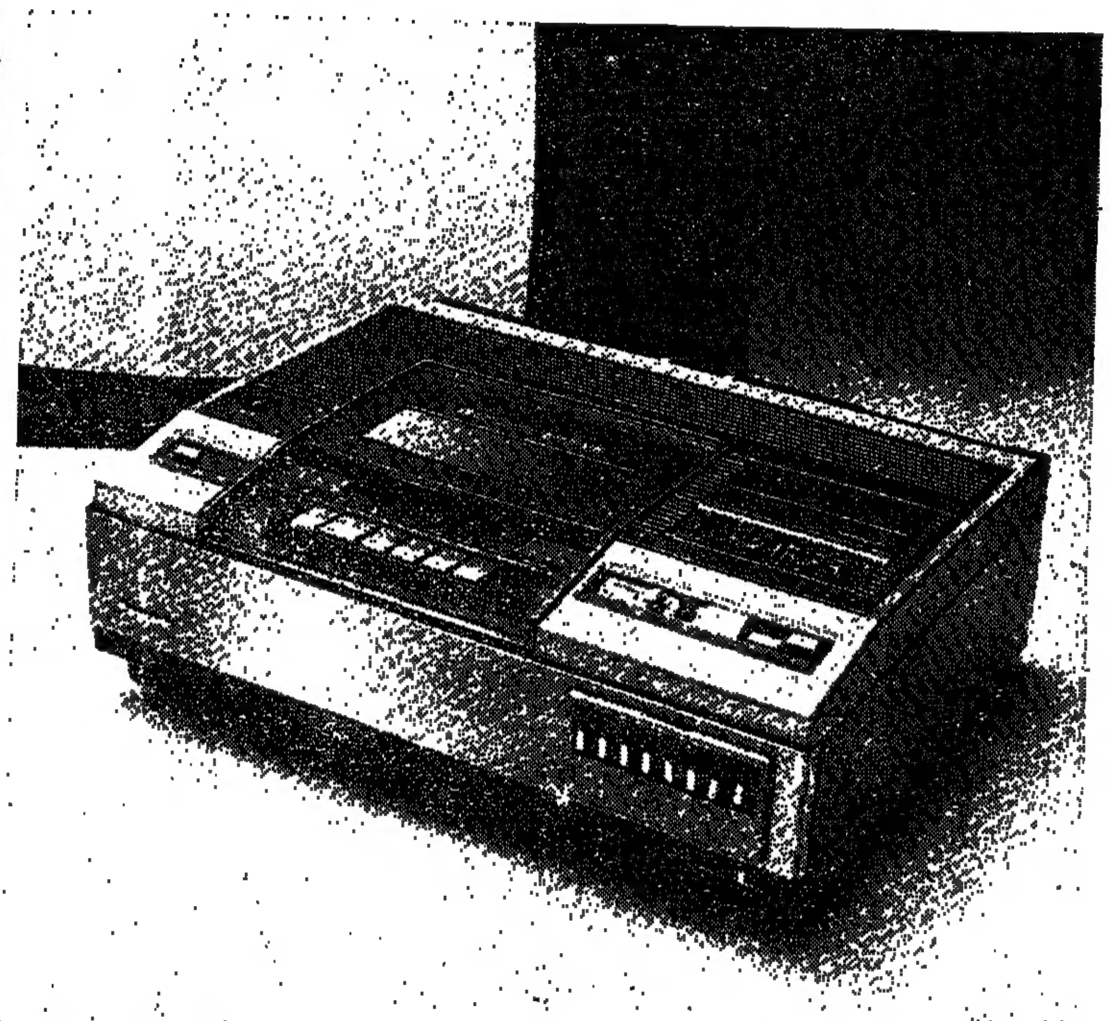

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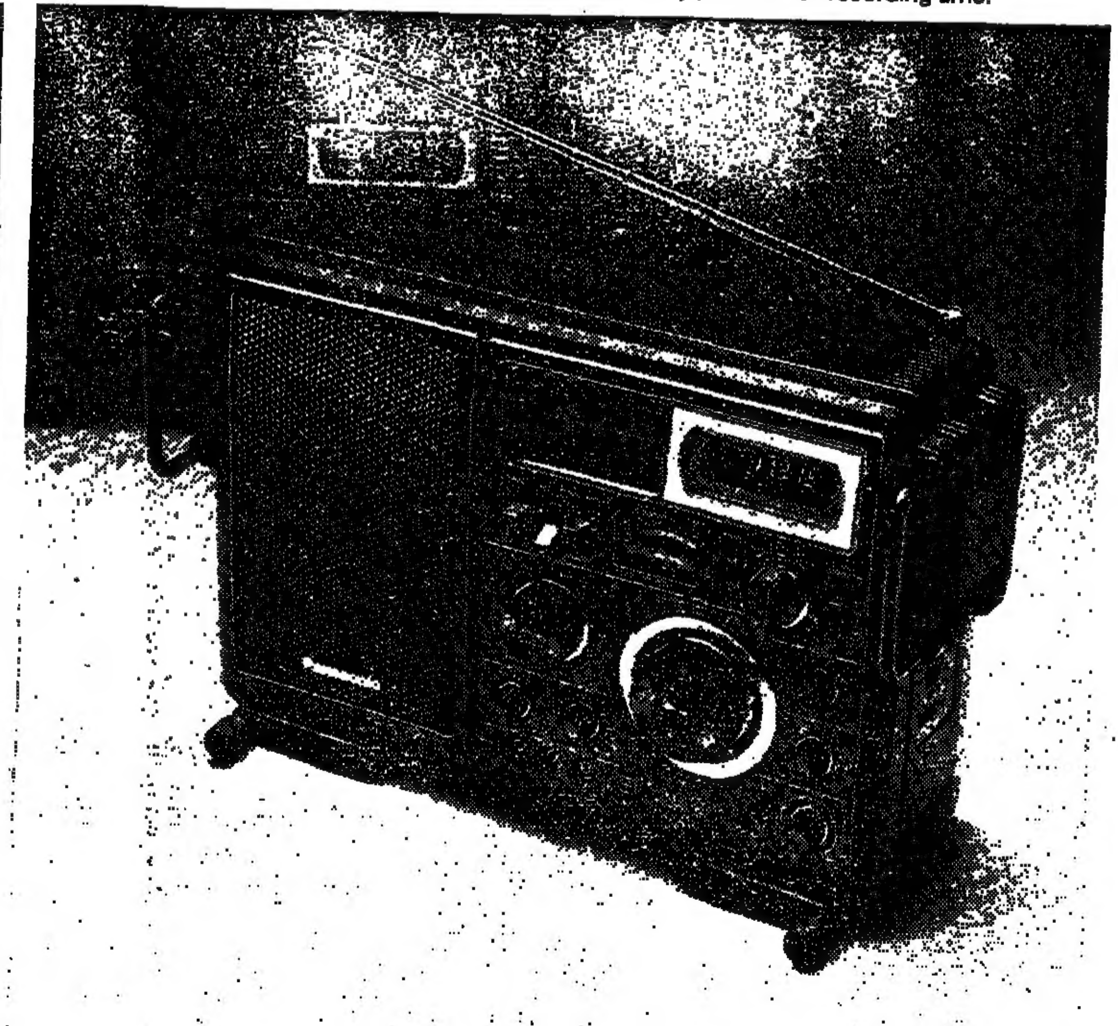

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CHANCELLOR HEARS BUDGET PLEAS

CBI moderates its proposals but calls for £1bn cut in direct taxes

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE CONFEDERATION of British Industry's Budget proposals, presented at a meeting with the Chancellor yesterday, call for a reduction in direct taxation in 1979-80 totalling £1bn.

The proposals constitute a moderation of the direct tax cuts called for in the CBI's four year programme presented last year, which would have required a £2bn cut in direct taxation in 1978-79.

Mr. John Greenborough, CBI president, said yesterday that the current proposals had been prepared taking account of the economic situation, with particular regard to inflationary pay settlements and the failure of the Government to keep its spending down. He described the proposals as "responsible" for this reason, but said that the CBI's target of a £6bn cut in direct taxation by 1982 remain unchanged.

Financed

The CBI is proposing that the cuts should be financed wherever possible from lower public spending, and urges that spending should be kept at the levels of 1976/77 in real terms. It stresses that this does not mean a cut in public spending, but a cut in the increase of planned Government spending.

If the Government does not keep down the level of spending, the cuts should be financed from higher indirect taxation. It suggests this could be done by standardising the rate of value added tax at 10 per cent, and imposing higher duty charges.

The main proposals as regards tax cuts totalling £1bn in 1979/80 are:

● A cut of 1p in the standard rate of income tax, bringing the rate down to 32p in the £. It says this is much less than is needed, but the most that can be afforded. "It would at least be a token of the further cuts which must be made later." The cost would be £425m in 1979/80.

● A 1 per cent increase in personal allowances on top of the indexation to which the Government is already committed. The CBI argues that *indexation of the tax threshold* is not enough—it merely prevents it falling in real terms. In a better economic climate, substantial real increases in personal allowances, over and above indexation, would be advocated in order to start eliminating the tax element in the poverty trap. The cost *would be £100m.*

● A cut in the top rate of tax on earned income from 83 to 60 per cent. At 83 per cent, Britain's top marginal rate of tax on earned income is among the highest in the developed world, and it is paid on a lower level of earnings than in most other countries. The cost of this cut *would be £150m—described* as "minimal in budgetary terms" by the CBI.

● Higher starting points for the higher rates of tax. The first higher rate of 40 per cent would be payable at £9,000 of taxable income, instead of £8,000; the 60 per cent rate would be payable on taxable income of more than £25,000 instead of, as now, £12,500. The bands through which the higher rates of tax apply would be widened. The whole measure would cost £150m.

Advocates

● *Reductions in the tax surcharge* on income from savings and investments. As the first step towards abolition, the CBI advocates a raising of the thresholds by 50 per cent and a reduction in the rates of five percentage points. It describes "the tax discrimination against investment income" as "simply a political measure." The cost of the proposals is £25m.

● Reforms in capital transfer tax and capital gains tax. The need for a fundamental review of CTT is "greater than ever." The CBI believes that the rates are still too high and calls for the indexation of all thresholds. It urges the Government to consider the introduction of some form of family-based relief and to examine the interaction of CTT and CGT on lifetime gifts. The cost would be £150m.

The CBI's financial and economic policy committee, chaired by Sir Adrian Cadbury, and the taxation committee, chaired by Mr. John Crowe, argue that by far the best way of financing these reductions in taxation would be by economies in Government spending plans, so that they were at the same level as 1976-77, in real terms.

Stance

If the Government persists in its stance of raising spending along the lines set out in the January White Paper, however, increases in indirect taxes would have to be made in order to pay for the cuts in direct taxation.

Standardising the rate of VAT from the present 8 and 12½ per cent to 10 per cent would raise an additional £550m in the next year, and the system would be simplified for Government and taxpayers. Another £500m could be raised from other indirect taxes, but the CBI rejects any increase in the national insurance surcharge. The combined effect of the increases in indirect taxation from these two measures on the cost of living index would be a *little over* 1 per cent in the coming year.

In the economic analysis relating to the Budget proposals, the CBI makes a forecast for the public sector borrowing requirement of similar magnitude to the Treasury's latest published forecast for 1979-80 of £8½bn on unchanged policies. But the CBI says that forecasts of the PSBR are subject to a large margin of error, of the order of £2-3bn in either direction.

Public sector borrowing 'must be cut by £2bn to curb inflation'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PUBLIC SECTOR borrowing would have to be cut by about £2bn in the Budget in order to keep growth of money supply down to 10 per cent and to maintain single-figure inflation. This is argued by Dr. Alan Budd and Mr. Terry Burns in the Economic Outlook from the London Business School's Centre for Economic Forecasting.

The authors' starting point is the forecast that borrowing will be £9.3bn in 1979-80 on present policies (after assuming an adjustment of personal tax allowances and specific customs and *excise duties in line with* inflation). They suggest that in order to ensure monetary stability, borrowing should be cut to between £7bn and £8bn.

"While we would argue for a long-term switch away from direct taxes, over-generous cuts in total taxes are not the way to do it. If Mr. Healey fails to take back last year's tax cuts as well as raising indirect taxes he may get by, but he runs the risk of having a major fiscal crisis on his hands which could *threaten* to undo all *the* benefits of monetary control of the last two years, and which would remove the barriers against a pay and prices explosion."

Earnings

The outlook notes that "while it is always difficult to forecast earnings when pay policy breaks down, we still expect that monetary restraint will hold the inflation rate down even if in the short-run there are significant wage pressures. Compared with earlier forecasts, there now seems a more serious risk that the outcome for 1979 will produce slower growth of output, higher unemployment and a severe squeeze on profits and investment."

The outlook maintains that the swings of monetary policy *seem* to be more frequent and affect output more rapidly than in the past. Thus the brief spurt of growth in the first half of last year followed the rapid monetary expansion of the winter of 1977-78, and the subsequent squeeze means that the economy is now almost at a standstill.

Total output has been flat since the middle of last year, apart from the growth provided by North Sea oil.

In 1979, if the monetary targets are held—with the help of exchange rate support, direct controls and high interest rates—the resulting disciplines will prevent inflation rising much above 10 per cent. However, with the money supply growing by around 12 per cent and with wages growing by 13 per cent or more, real output growth will be held back.

In detail, a further increase in real personal disposable incomes is expected this year (3½ per cent against 6 per cent in 1978) and real consumer spending growth is expected to slacken from 5.6 to 3.7 per cent. Expenditure on durables is projected to be held at about last year's level though non-durable spending should grow by more than 4 per cent.

Investment is expected to grow less rapidly than in 1978. Company profits (excluding stock appreciation) are projected to rise by 13.3 per cent this year after a 21 per cent gain in 1978. But when North Sea oil is deducted, last year's 17.2 per cent rise is expected to be followed by a 1.8 per cent fall in 1979.

UK ECONOMY

Annual growth rates, percentage

	1974-78	1978-82
Gross Domestic Product	1.4	2.4
Consumption	0.8	2.8
Investment	−1.1	0.5
Inflation	15.5	11.1
Current account (£bn)	−0.1	0.4

Source: London Business School.

World trade movements are the main factor affecting exports. Last year was weaker than expected with World trade increasing by only 3 per cent and UK exports suffered accordingly. If North Sea oil is excluded exports grew by only 1½ per cent. An increase in world trade of about 6 per cent is projected for this year with a 4½ per cent rise in UK exports (3.3 per cent excluding oil).

Imports grew by 6.3 per cent last year in response to the rapid growth of consumption and they are expected to rise by 3.7 per cent this year. A slight improvement is projected in both the terms of trade and in the current account, with a surplus of £510m this year after £90m in 1978.

Overall, output, as measured by real gross domestic product is projected to rise by 2.4 per cent this year (a 3.0 per cent increase in 1978) and after excluding North Sea oil by 1.3 per cent (2.4 per cent last year). Unemployment in Great Britain is projected to average about 1.3m this year.

Sterling M3, the broadly defined money supply, is projected to grow by about 11½ per cent between the third quarters of 1978 and 1979, just within the 8 to 12 per cent official target range. Domestic credit expansion is projected to rise from about £6.7bn in 1978-79 to £8.5bn in 1979-80.

On the basis of the announced targets, the sterling trade-weighted index is expected to decline by 3 to 4 per cent during 1979, though the official reserves are large enough to offset minor moves against the pound.

Looking ahead over the medium-term, the Outlook says the prospects over the next four years will be considerably better than during the last four years with faster growth of output and consumption, a lower rate of inflation and a balance of payments in current account surplus. North Sea oil eases the pressure on resources though on present policies the oil will largely be used for consumption.

Nevertheless, the medium-term outlook is for a redistribution of income towards labour, a double figure rate of increase in prices, a squeeze on export profit margins and a less good export performance, in relation to world trade, than in the past five years.

The rate of growth of total output is expected to be in the range of 2 to 3 per cent a year up to 1982 and less than 2½ per cent at best after taking account of North Sea oil. Consequently unemployment is projected to rise steadily to 1.45m by 1982.

An analysis of the world outlook by Mr. Geoffrey Dicks projects a fairly rapid growth of output in the first half of this year followed by a slowdown, continuing into the first six months of next year.

Production

The U.S. economy is expected to slow this year and, in contrast, with 1977-78, most of this year's growth should stem from Europe and Japan. But overall industrial production is forecast to show little change compared with last year at 3.8 per cent. But expansion should pick-up to a rate of around 4½ per cent a year in 1980-82.

World commodity prices (including oil) fell by 5 per cent last year, but with the price of oil rising by 10 per cent in dollars in 1979 commodity prices are also likely to rise by nearly 10 per cent this year.

Consequently the price of manufactured goods, which rose by 6½ per cent in 1978, is likely to increase by 7½ per cent next year. Similarly the rate of consumer price inflation is expected to accelerate in 1979 to nearly 8 per cent after the 7 per cent increase last year.

Economic Outlook 1978-82, February 1979, available from Gower Press 1 Westmead, Farnborough, Hampshire, GU14 7RU.

TUC call for rate of growth over 3%

By Christian Tyler, Labour Editor

AFTER ARGUMENTS yesterday about the size of the national growth rate it should go for, the TUC is to meet the Chancellor tomorrow to argue that he should aim for growth of "well over 3 per cent."

A sizeable group of the TUC general council yesterday urged that the TUC's economic review should be amended to call for 5 per cent, as last year, but after a 20-16 vote those who said a minimum of 3 per cent was more realistic won the day.

After the meeting Mr. Len Murray said that the review, which covers a wide range of economic, industrial and social policies as well as the TUC's Budget submissions, would be an input into the "economic assessment" talks promised by the recent TUC-Government agreement.

But because the April 3 Budget was so close, there would be little time this year *for the* kind of full review envisaged by that document.

Constraints

Mr. Murray said that there were a number of constraints to be taken into account, including the balance of payments, and Britain's propensity to suck in imports when reflating, as well as the size of the Public Sector Borrowing Requirement. But the TUC, he said, had its own points to make about the role of the PSBR.

There would be talks throughout the year so that next year's economic assessment could be prepared well in advance of the Budget. This would be linked with the TUC's newly-acquired access to the public expenditure survey committee.

The review, which argues for a real increase in personal tax allowances as well as an £800m boost in child benefit, will be published in the next few days.

BL strike an error, says union leader

By Philip Bassett, Labour Staff

THE UNOFFICIAL strike by 20,000 workers at BL's Longbridge plant last month over parity payments was an error, Mr. John Boyd, general secretary of the Amalgamated Union of Engineering Workers, said yesterday.

Mr. Boyd, writing in his union's journal, made a strong appeal to the trade union movement not to allow BL to fail. Trade unionists had to be keen for it to prosper and determined *that it be efficient,* for it was their company and their Government which saved it.

"We must never have it laid to our charge that we caused its demise; yet every restriction on output, every strike in whatever plant puts another nail in its coffin."

He described the Longbridge strike as "precipitate" and "mistakenly taken." No one could have been in any doubt that the parity payments depended on higher productivity. "No matter the efforts to camouflage the facts, there can be no doubt that the withdrawal of labour at Longbridge was an error."

Post Office unions expect pay problems

By Our Labour Staff

THE POST OFFICE faces a difficult period over pay, the Council of Post Office Unions said yesterday in its seventh annual report.

The council, umbrella organisation for eight trade unions with Post Office members, does not negotiate on pay. Its report for 1978 points out, though, that the Government 10 per cent limit under Phase Three left various pay and benefit increases outstanding.

There was now strong pressure from public-sector unions against the 5 per cent limit. "*Unions in the Post Office are* not immune from these pressures, and it is clear that a difficult period on pay lies ahead."

Mr. Anthony Carter, the secretary-general, said that though the Post Office experiment in industrial democracy set up in January last year was "clearly working well," a priority for 1979 was "the other leg of introducing industrial democracy—extending and improving collective bargaining arrangements."

The largest of these unions, the Union of Post Office Workers, is in negotiation on its claim for increases of 24.4 per cent, which it expects would add 2p to letter rates, and similar increases to telephone charges.

Study of civil service pay for arbitration?

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT agreed yesterday to take any disputes over the findings of a pay comparability study for 600,000 white-collar civil servants to arbitration if necessary. But any pay agreement must be staged in line with Government pay policy.

The Government refused arbitration on a civil service claim for increases in London weighting allowances. Union leaders, particularly of the two largest unions in the service now taking selective strikes over pay, feared a similar decision on the results of the Pay Research Unit comparability study.

Lord Peart, the Lord Privy Sea, said yesterday that the two unions taking action, the Civil and Public Services Association and the Society of Civil and Public Servants, are striking only over the form of staging a pay increase would take. The Government has already said it would implement a staged deal based on PRU findings.

The Government will implement rises negotiated with the unions on the basis of the PRU findings. Where there is no negotiated agreement, they will go to binding arbitration. But staging of the deal will not be open to arbitration.

Strike

Talks between all the unions representing 600,000 white-collar civil servants and the Civil Service Department take place tomorrow. Ministers were meeting last night to decide how far the official side must go to avert further strike action.

Mr. Bill Kendall, secretary general of the staff side of the National Whitley Council, which represents all civil servants, yesterday after a meeting with Lord Peart received a "significant and helpful" assurance.

"It was at least one step in the right direction," he said.

Mr. Charles Morris, Civil Service Minister, who yesterday wrote to all MPs explaining the Government position on the strike, *in response to a letter* from the two striking unions putting their case, said: "It is really wholly illogical and incomprehensible why they have taken this action merely on the question of staging."

But ministers and senior Civil Service Department negotiators would not be drawn, on how the Government would stage the deal, since its evaluations of the PRU reports were not complete. The unions estimate rises due for middle-ranking grades at 26-36 per cent.

Lord Peart said the Government could survive indefinitely the selective action aimed particularly at computer centres. "My job is to make sure that the Government goes on—otherwise there would be anarchy," he said.

Marathon workers agree to productivity proposals

BY RAY PERMAN, SCOTTISH CORRESPONDENT

WORKERS AT Marathon Shipbuilders, Clydebank, agreed yesterday to proposals for increased productivity and flexible working, which unions believe could help win orders.

The yard is running out of work and negotiations with the Government over an order for an oil drilling rig for the British National Oil Corporation and the British Gas Corporation have reached a stalemate over price.

The state consortium has offered £11m, which Marathon insists is £500,000 less than the lowest figure on which it can make a profit.

Shop stewards think that the new deal, which includes greater interchange of work between skilled trades, could enable the company to bridge the gap.

The problem will now be discussed with the company's U.S. parent, Marathon Manufacturing, and with Mr. Bruce Millan, the Secretary of State for Scotland.

Lucas Aerospace overtime ban

BY NICK GARNETT, LABOUR STAFF

SECTIONS of drawing room and engineering staff at Lucas Aerospace started industrial action yesterday following what they regarded as a management decision not to honour local pay agreements.

Members of TASS, the white-collar section of the Amalgamated Union of Engineering Workers, are banning overtime and sub-contract as part of industrial action at various company sites.

Mr. Philip Asquith, deputy chairman of the TASS co-ordinating committee at Lucas Aerospace said yesterday that the union had negotiated verbal agreements at a number of sites for higher pay rates than those ruling on a company-wide basis.

Management, however, had informed local union officials over the past week that nothing *would be paid over and above* rates agreed in company-level bargaining.

The union said management had argued that it was not in a position to pay more because of Lucas Aerospace's overall financial position and the threat posed by the annual pay claim submitted by TASS.

A union statement argued yesterday that extra payments were necessary to halt staff drifting away from the corporation. Wages of TASS members *were deplorable, engineers were* demoralised, and the corporation was "perpetrating industrial vandalism."

ACAS to contest Denning decision

By Alan Pike

THE Advisory Conciliation and Arbitration Service is to appeal to the House of Lords, its council resolved yesterday against a High Court decision declaring one of its union recognition reports void.

Members of the council consider that the court decision raises issues fundamental to the service's conduct of recognition inquiries under Section II of the Employment Protection Act.

ACAS decided on industrial relations grounds not to recommend recognition for the non-TUC affiliated United Kingdom Association of Professional Engineers at APE-Allen, a Bedford engineering company, despite *strong support among the staff* the association wished to organise.

Both the Engineering Employers Federation and the Confederation of Shipbuilding and Engineering Unions were opposed to the association being recognised.

The ACAS report rejecting recognition was declared void by Mr. Justice May last year, and in January ACAS failed to reverse the decision in the Court of Appeal.

'Misdirected'

Giving judgment in the appeal *proceedings, Lord Denning,* Master of the Rolls, said that he did not believe ACAS should be influenced by threats of strikes or blacking when making recognition decisions. This would make the service "the tool of the powerful trade unions," and it would cease to be an independent and impartial tribunal.

Lord Denning held that ACAS had misdirected itself by giving priority to its general duty under the Act to promote the improvement of industrial relations over the particular duty of encouraging the extension of collective bargaining.

All three appeal judges dismissed the appeal. Lord Justice Brandon accepted that ACAS should not be required to encourage the extension of collective bargaining in cases where this would lead to the worsening of industrial relations, but he felt that the service had not examined the case for recognising the engineers' association fully and fairly.

Pit pay deal pleases Government

BY CHRISTIAN TYLER, LABOUR EDITOR

GOVERNMENT Departments appeared well pleased yesterday with the miners' proposed pay settlement, and the union's negotiatiors, led by a gleeful Mr. Joe Gormley, were delighted on the previous night.

Although Sir Derek Ezra, the Coal Board chairman, appeared glum beside the buoyant Mr. Gormley on Tuesday night, he too said he was pleased. It begins to look as if everybody has won. If not, who has lost?

The offer has yet to be ratified by *the national executive* of the union, or if there isdissentat its meeting next Thursday put toa pithead ballot for the National Union of Mineworkers members endorsement. On Thursday the executive will also decide how to apportion the money to various grades.

It is complicated, and the strenuous refusal of Mr. Gormley or Sir Derek to put percentage figures, even cash figures, on it has made it hard to assess against the percentage-based Government incomes policy.

Essentially, the offer is worth 9 per cent now, and more when the existing area bonus schemes are uprated. One cautious early assessment puts the value of the entire package at around 11 per cent.

But the more coal is dug, the higher the earnings, and the better, retrospectively, Tuesday's agreement will appear.

A leading negotiator for the union believes it would put the miners streets ahead of the rest of manufactring manual workers, and that what looks on the face of it a £6-a-week rise (if the union were to split the money exactly evenly) could turn out more like £12 a week.

The Government is privately congratulating itself, and presumably Sir Derek and Mr. Gormley, too, for an arrangement that can easily be represented as within the spirit of the now-garbled incomes policy.

That is because a large proportion of the money would be "paid for" by more efficient working and more output. That, at least, is the underlying assumption behind the package.

For those minded to work out whether the agreement should be called a triumph for the union, or the Government, these are the figures, as nearly as one can get to them at the moment.

Last year's wage bill for the 232,000 miners, excluding its white-collar section, was about £800m. Tuesday's offer contains five main elements.

The board has started with what it can at present afford as a straight increase, £27.5m, just under 3½ per cent.

It has promised £45m more in exchange for a union guarantee to introduce efficiency in the pits; to improve machine-running times, cut out delays, achieve full depth of cut on the mechanised faces, and improve travelling times underground.

Many miners have to travel two miles or more to the face, and back.

There is £20 more from next January in payments for the old "washing-and-waiting-time" claim. But that has still to be worked out. There is £2m to £4m for a 5p-an-hour increase in the unsocial hours payment.

Finally, there is an unquantifiable amount more to be earned from an uprating of the bonus schemes' standard target from £23.50 a week to £25.60 a week.

These earnings depend on the amount of coal dug, and are directly measured week by week against performance.

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New–The SAAB 900

SAAB 900 GLE

Born to Lead

Leading in Performance

The SAAB 900 has the power of a leader. The outstanding turbo-powered models give two litre efficiency and power in the high performance–plus league, *(145 bhp din)*. It's exhilarating, reliable and unusually satisfying to drive. The fuel injection EMS and GLE models deliver a powerful 118 bhp din. The twin carb. 2 litre GLS models at 108 bhp din will give you executive-style cruising at motorway speeds. The single carb 2-litre model 100 bhp din gives you comfortable motoring. Rally proven, the SAAB 2 litre engine is a superb example of the best in Swedish engineering.

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The SAAB 900 enforces new levels of road holding and handling.

It is designed to obey your every command. Designed so you experience complete control. Front wheel drive gives increased traction. Steering geometry advances reduce lateral acceleration or "body swing"

This means safer, relaxed motoring and increased comfort for passengers.

The steering is more responsive and the directional stability gives consistent behaviour **regardless** of road conditions and load.

On the turbo and automatic models you'll find power-assisted steering as standard. But not just any power steering. At speed our power steering gives you the same response and control as a SAAB 900 without P.A.S. *You'll only notice it when you need it,* in town or parking.

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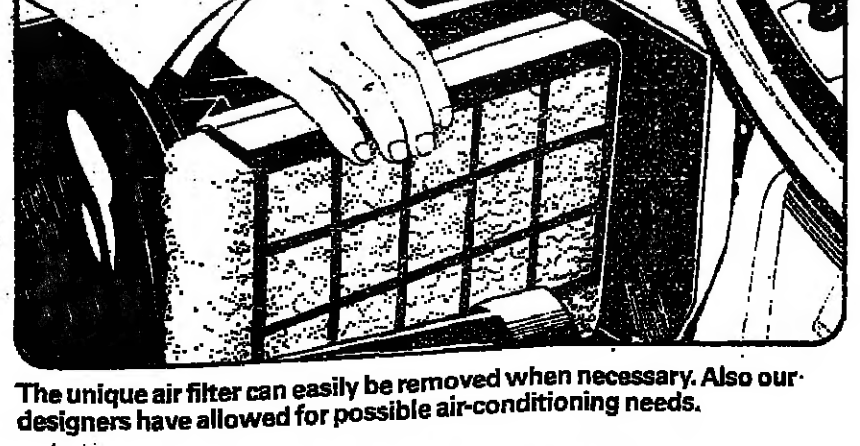
A remarkable SAAB 900 first is the filtering of all air entering the driver/passenger compartment. A new filter removes most contaminates even pollen. So inside the SAAB 900, the air you breathe will be cleaner than that outside.

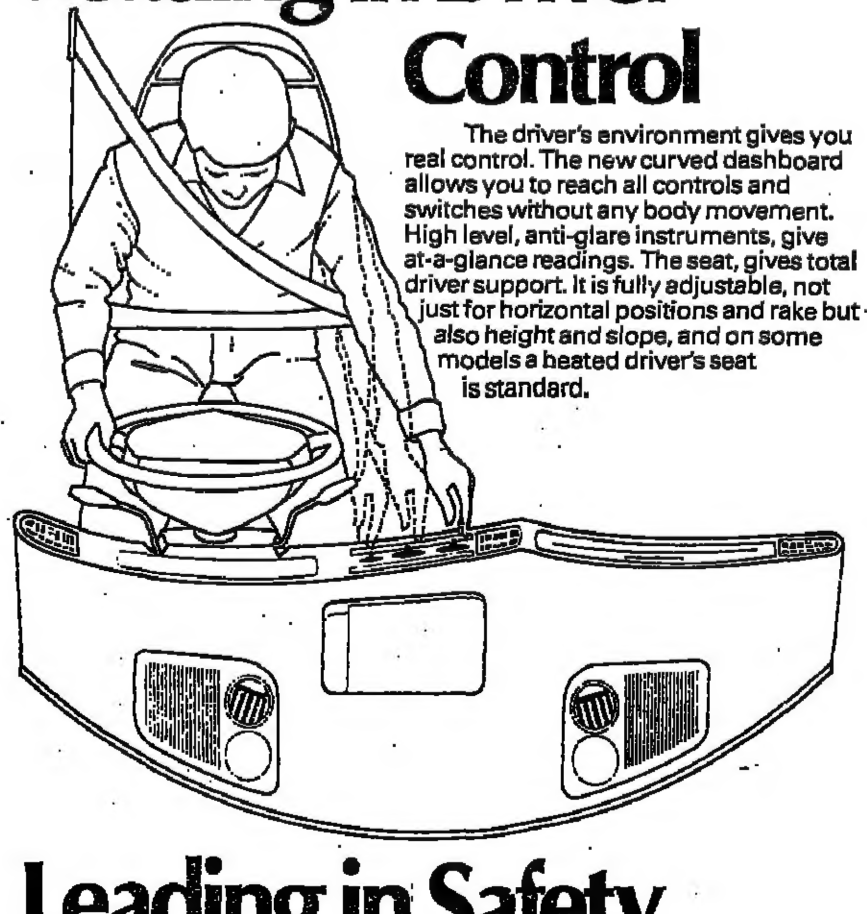


The unique air filter can easily be removed when necessary. Also our designers have allowed for possible air-conditioning needs.

The SAAB 900 is roomy and spacious. To give some idea, it's slightly *longer than the Rover 3500. But inside you'll notice the difference*–*velour* upholstery and trim, exude luxury. On the top models there's even seat belts and head rests for the rear passengers.

The heating and ventilating system is also unique. It provides a constant level of warmth – once set – through outlets including a demister for the side windows. Exceptional sound insulation will protect you from the hassle of the outside world.

Leading in Driver Control



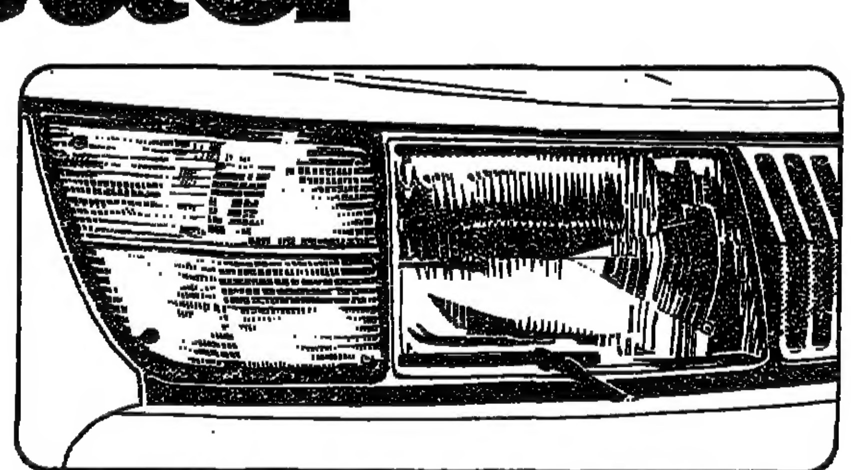
The driver's environment gives you real control. The new curved dashboard allows you to reach all controls and switches without any body movement. High level, anti-glare instruments, give at-a-glance readings. The seat, gives total driver support. It is fully adjustable, not just for horizontal positions and rake but also height and slope, and on some models a heated driver's seat is standard.

Leading in Safety

The SAAB 900 incorporates many new safety features. Including further developments of the steering wheel designed to actually help prevent injury rather than just reduce it.

A unique mesh bellows mounted on the steering column acts as a cushion in the event of a serious collision. Another unique development below the dashboard, protects knees and legs. And the staged crumple zones backed up with the most rigid passenger safety cage really protects those inside.

All SAABs have disc brakes on all four wheels. A diagonally split-braking system and semi-metallic outside front brake linings *(another SAAB first)* give increased efficiency.



The new SAAB 900 is an exceptional car. All models include other SAAB firsts as standard i.e. headlamp washers and wipers, efficient energy-absorbing bumpers, heat and sound insulation roof lining. The rear seats of the 900 will fold down to give you over 6 feet of flat loadspace and there's no awkward sill to lift over. Inside is a cavernous 53 cubic feet of luggage space.

The SAAB 900 is a very advanced car but words can tell only so much.

For such a car, driving is believing, so why not take advantage of our no-obligation test drive offer at any one of our nationwide network of enthusiasts. You'll soon appreciate why the SAAB 900 is the car **Born to Lead.**

You're very welcome to come along and view the new SAAB 900 at your leisure. On Saturday 3rd and Sunday 4th* of March all SAAB dealers will be open all day and some will be holding special events. Your local dealer will have the details.

The SAAB 900 Range

3 dr GL	2 litre hatchback single carb.	£5,525.
3 dr GLS	Added luxury + twin carbs.	£5,775.
3 dr GLS Auto	Power steering as standard	£6,225.
5 dr GLS	Added luxury	£5,995.
5 dr GLS Auto	Power steering as standard	£6,555.
3 dr EMS	Sports coupe hatchback. Low profile tyres alloy wheels	£6,995.
5 dr GLE	Fuel injection, automatic, power steering, steel sunroof, tinted glass, heated front seat, radio cassette player.	£7,675.
3 dr Turbo	Turbo-charged power. Ultra low profile tyres, steel sunroof, tinted glass, radio cassette player	£8,675.
5 dr Turbo	With the new TRX tyres for comfort and control. Radio cassette player	£8,995.

Prices quoted and specifications are correct at time of going to press and include seat belts, car tax and VAT. Delivery and number plates extra. *All* SAABs are covered by unlimited mileage guarantee for 12 months + extra 12 months for engine and gearbox.

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CONTRACTS AND TENDERS

Snim s.e.m.

SOCIETE NATIONALE INDUSTRIELLE ET MINIERE (SNIM)

SOCIETE D'ECONOMIE MIXTE (SEM)

CAPITAL 9,059,500,000 UM

HEAD OFFICE NOUAKCHOTT

REGISTERED NUMBER 4579 NOUAKCHOTT

ISLAMIC REPUBLIC OF MAURITANIA

NOTICE OF PREQUALIFICATION C

Société Nationale Industrielle et Minière (SNIM) plans to let supply and works contracts for the exploitation of new iron ore deposits to be mined in Mauritania.

In order to finance the cost of this project—some $400m—SNIM has requested loans from the following organisations:

— ABU DHABI FUND FOR ARAB ECONOMIC DEVELOPMENT
— ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT
— BANQUE AFRICAINE DE DEVELOPPEMENT
— BANQUE EUROPEENNE D'INVESTISSEMENTS
— BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DEVELOPPEMENT
— CAISSE CENTRALE DE COOPERATION ECONOMIQUE (FRANCE)
— KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT
— OPEC SPECIAL FUND
— SAUDI FUND FOR DEVELOPMENT

In addition to these loans, SNIM will also make use of funds from the following sources:

— ISLAMIC REPUBLIC OF MAURITANIA
— ARAB MINING COMPANY
— ISLAMIC DEVELOPMENT BANK

These organisations intend to apply the proceeds of these credits—which will be available in various currencies—to eligible payments under the contract for which this notice has been issued. Payment by these organisations will be made only at SNIM's request and upon approval by the same organisations in accordance with the terms and conditions of the Loan agreements, and will be subject in all respects, to the terms and conditions of these agreements. Except as the organisations may specifically otherwise agree no party other than SNIM shall derive any right from the Loan agreements or have any claim to loan proceeds.

Société de Coopération Minière et Industrielle (SOCOMINE), Paris, has been entrusted by SNIM with the management of this Project.

This Notice of Prequalification covers the following equipment supply and works:

C.1 — Steel framework

Framework required for the construction of:

— Industrial buildings (56 kW power plant—Shops—Warehouses, etc. . . .) 1,500 tonnes

— Ore dressing plant (grinding—screening—magnetic separation, etc. . . .) 10,000 tonnes

Interested competitors may apply for qualification either for the supply only—or for erection only—or for erection and supply of this framework.

C.2 — Electricity — Electrical and mechanical erection

a) — Supply of 140 standard low voltage motors.

b) — Supply of 50 standard medium voltage motors (5.5 and 11 kV from 160 to 3,500 kW).

c) — Supply of 20 kilometres of trailing cable 5.5 kV for the power supply to mobile ore handling machinery.

d) — Supply of 20 transformers (100 kVA to 20 MVA—primary voltage 5.5 to 11 kV).

e) — Supply and erection of the electrical equipment of the ore dressing plant (14 mt/year) comprising—among others: power and control switchgear—automation—control panels—instrumentation—wiring power transport lines (30 kV—11 kV—5.5 kV). Reference (e) also includes erection of references C2a, C2b, C2c and C2d.

f) — Mechanical erection of ore dressing machinery (primary crusher—mills—screens—magnetic separators—conveyors—ore handling machinery, etc. . . .) and of mining equipment (power shovels—drills, etc. . . .) under control of the main suppliers.

C.3 — Miscellaneous supply

a) — Supply of 28 overhead cranes—capacity ranging from 5,000 to 80,000 daN.

b) — Supply of 27 beltscales (capacity: 250 to 4,000 t/h—belt width 800 to 1,800 mm).

c) — Supply of 10 stationary electric driven air compressors (pressure: 4 to 8 bars—Volume: 1,000 to 2,000 Nm3h).

d) — Supply of two networks of dust pneumatic transport 0-80 microns (unit capacity 80 t/h) on a distance of 150 metres—including the following equipment: air-locks for shipment—transport piping—receiving bins (capacity: 50 tonnes) with de-dusting equipment.

e) — Supply of air conditioning and air cooling equipment for electrical and control rooms (1,500 m3 appr.). Temperature control: plus or minus 2°C. Air conditioning: room pressurisation 10 mm WG—Room temperature: 5°C less than external ambient temperature.

f) — Supply of one high capacity—double carriage—waton wheel lathe for standard railroad track. Wheel diameter 1.2 metre.

In order to select those firms which will be retained for the final calls for tenders issued by SNI/SOCOMINE for the completion of this Project, all contractors interested in the above mentioned supply and works contracts are requested to send SOCOMINE a prequalification application, along with relevant documents and pamphlets showing clearly:

(i) — Registered name, equity(*), annual report(*) and balance sheet(*).
(*) *unnecessary for the contractors who have already sent an application for Prequalification Notice A or B.*

(ii) — Information on the equipment manufactured, or work performed, similar to that required, and references.

(iii) — Plants where this equipment is manufactured (location and size). Present work load. Anticipated future work load, expressed in percentage of rated capacity, on a quarterly basis.

(iv) — Customer service and supply of spare parts.

(v) — Anticipated delivery time after orders are placed. Anticipated delivery time of working drawings and technical installation specifications after orders are placed. Time required to prepare bids.

This application will state the number and identification of the lot or lots which are sought. It should be sent in time to reach, before April 15, 1979, to:

Société de Coopération Minière et Industrielle
(SOCOMINE)
30, rue Cambronne
75015—PARIS—France.

under reference: "Projet Guelbs"—Avis de Préqualification "C"

SNIM/SOCOMINE reserve the right to check the statements issued by the contractors regarding their ability to perform the concerned work.

SNIM/SOCOMINE also reserve the right to turn down a bid from a prospective contractor, without substantiating their decision.

The prequalified contractors will be notified by letter. This will specify, among other things, the non refundable amount to be paid by each contractor to receive the tender documents.

These will only be available in French.

Prequalified contractors will have to pay a deposit when sending their offer.

Further Prequalification Notices for other equipment to be supplied and other works to be carried out, all within the framework of the "Projet Guelbs," will appear at a later stage.

TENDER
SEWAGE TREATMENT WORKS

Contractor in Abu Dhabi seeks supply and installation of

(a) Benches and fittings for large laboratory building
(b) Supply and installation of utility services for laboratory, *including hot and cold water supply, drainage, compressed* air, butane gas, etc.
(c) Supply of chemicals
(d) Supply of laboratory apparatus
(e) Supply of analytical instruments

The works are for new laboratory in Abu Dhabi and will include installation, testing and commissioning of all equipement.
Contractor willing to sub-contract/enter into joint venture with successful applicant.
Tender period relatively short and applicants should telex 2628 BANWIP ABU DHABI immediately for pre-qualification.
Literature and technical information should be mailed to:
P.O. Box 289, Abu Dhabi, United Arab Emirates,
together with photographs and details of previous, similar jobs completed.

ART GALLERIES

BROWSE & DARBY, 19, Cork St., W.1. Philip Sutton—Recent Paintings. Last Week.

FIELDBORNE GALLERIES, 63, Queens Grove, N.W.8. 586 3600. EDWARD WOLFE, R.A. — SIXTY YEARS OF PAINTING. Mon.-Fri. 10-6. Sat. 12.30 to 3.

FINE ART SOCIETY, 148, New Bond St., W.1. 01-629 5116. BRITISH ARTS 18th-20th Century.

FISCHER FINE ART, 30, King St., St. James's, S.W.1. 01-839 3942. Recent work by two Canadian Realists: D. P. BROWN and JEREMY SMITH. Until 9 March. Mon.-Fri. 10-5.30. Sats. 10-12.30.

JEAN ARP and HENRI MATISSE—1st March to 12 April. Daily 10-5.30. Sats. 10-1. Theo Waddington, 25, Cork Street, London, W.1. Tel.: 734 3534.

MALL GALLERIES, The Mall, S.W.1. Greek Women Artists Exhibition. Mon.-Fri. 10-5. Sats. 10-1. Until March 10. Adm. Free.

UK NEWS—POLITICS

Turnout crucial for Scotland

BY RAY PERMAN, SCOTTISH CORRESPONDENT

BOTH SIDES in the devolution campaign in Scotland will attempt today to get the maximum turnout to ensure a clear-cut decision on the Government's proposal to set up a legislative assembly in Edinburgh.

The latest opinion poll by Marplan for the The Sun shows Yes support at 51 per cent compared to 38 per cent for No and 11 per cent "don't know." But a closer result has been *indicated by other recent polls* and the final outcome will probably depend on the level of the turnout.

The campaign has been bedevilled by the requirement of a Yes vote of at least 40 per cent of the total Scottish electorate before the assembly can automatically come into being.

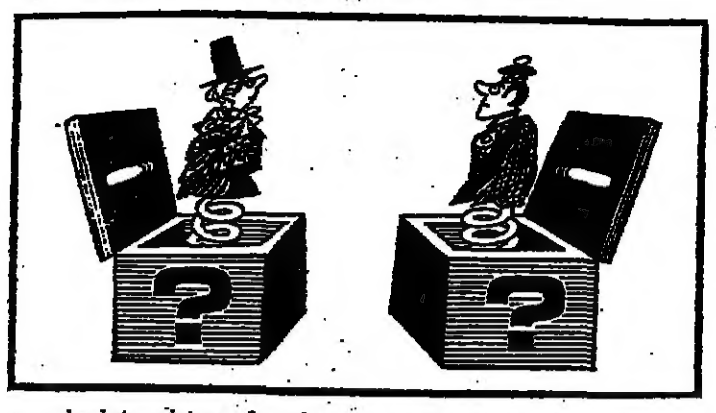
That means that the lower the turnout figure, the less likely it is that that requirement will be met.

If the 40 per cent threshold is not reached but there is still a clear Yes majority, as all the polls so far have indicated, it will be left to Parliament to decide.

Mr. Bruce Millan, Scottish Secretary, said that he expected a turnout above the 70 per cent usually obtained at a general election.

Weather will be a factor. Forecasts suggest that yesterday's bright sunshine might be replaced in Scotland by snow and sleet, reducing the turnout.

Lord Wilson of Langside, chairman of the Scotland Says No campaign, said that given a high voting level, he expected an absolute victory for those *who oppose devolution.*



He added that the campaign's office in Glasgow would remain open for a few days after the result was known to "tidy up administrative details."

Although Lord Wilson, a former Labour Minister, refused to be drawn, it is likely that the No organisation will fight on in the event of an indecisive result to try to influence the Parliamentary division on devolution.

Scotland Says No has been in favour of the 40 per cent rule, but maintains that it has been misrepresented by the Yes campaign to encourage potential No voters to abstain.

On that basis, it says that the *likely* No vote will underestimate the true feeling against devolution in Scotland and it will try to convince MPs that that is the case.

Lord Wilson said that if the Government tried to push through the Scotland Act in spite of a failure to satisfy the 40 per cent requirement and used the Whips to ensure majority, it would be practising political chicanery of the highest order.

"Even this Parliament, dreadful though it sometimes seems, would not on a free vote pass this piece of misconceived legislation."

However, Mr. Robin Cook, Labour MP for Edinburgh Central, and a leader of Labour Votes No, said that he would feel compelled to vote for devolution in the Commons if the Yes vote in the referendum was more than a third of the total electorate.

Mr. Jim Sillars, the Scottish Labour Party MP for Ayrshire South, and a leading member of Yes for Scotland, denied that the only way to ensure a better scheme for devolution was to vote No.

If this assembly was rejected it would be the end of devolution for all time. Parliament would give no more time to the issue.

If it was accepted, the Scotland Act provided that a constitutional commission established to look at the special needs of Orkney and Shetland would also be able to review the powers and constitution of the assembly.

That would provide a sensible and moderate method of dealing with any of the difficulties that might arise between Edinburgh and Westminster.

Big Welsh 'no' forecast

BY ROBIN REEVES, WELSH CORRESPONDENT

THE CONFEDERATION of British Industry drove another nail into the coffin of the Government's Welsh devolution proposals yesterday by publishing a Gallup poll that forecasts a massive no vote in today's referendum.

The poll, conducted among a cross-section of the working population of Wales, predicted a 71 per cent vote against setting up a Cardiff assembly and only 21 per cent in favour.

Some 59 per cent said that they would definitely vote and a further 14 per cent expected to do so.

Mr. Harold Williams, chairman of the Wales CBI, said that the poll showed clearly that a Welsh assembly was unwelcome to management and unions. Furthermore it agreed with the BC Money Programme's findings that four-fifths of Welsh businessmen oppose devolution and only 8 per cent are in favour.

That latest indication of a crushing defeat for the Government in Wales did not prevent Mr. John Morris, Welsh Secretary, from urging a "resounding Yes" in today's referendum. It would provide an opportunity for radical reform of local government, enable the people of Wales to take a direct grip on nominated bodies and provide a democratically elected "powerhouse" to support the Secretary of State in his task of bringing more jobs to Wales.

Mr. Morris repeated a warning that the days of many county councils in Wales as presently constituted are numbered. In England Mr. Peter Shore, Environment Secretary, had announced proposals for dismantling some of them. A Welsh assembly would give the opportunity for a thorough review and improvement of the whole system, he said.

Mr. Nicholas Edwards, Opposition spokesman for Wales, who has been leading the Conservative No campaign, told a rally in his Pembroke constituency that the people of Wales had recognised that the Wales Act threatened the unity of Britain. He was therefore confident that they would "throw out the scheme" today.

Mr. Neil Kinnock and the other five Welsh Labour MPs appealed to their supporters to come out and vote and not be taken in by suggestions that an abstension would serve the same purpose.

Mr. Elystam Morgan, chairman of the umbrella Wales for the Assembly Campaign said that there was a great danger that the public in Wales had been greatly confused by the propaganda of devolution opponents.

Nobody who was so negative as to vote No to Wales on St. David's Day should complain *about redundancy or poor housing* or increased rates, he said.

Commons decisions in wake of polls

BY ELINOR GOODMAN, LOBBY STAFF

POLITICAL ATTENTION will switch next week away from Scotland and Wales, where voters go to the polls today, and back to the House of Commons: specifically, to the back benches on which those Labour MPs who oppose devolution sit, brooding.

If, as seems increasingly likely, the poll in Scotland produces a less than resounding vote in favour of the proposed assembly, the Prime Minister's hope of retaining power until autumn will depend largely on *persuading his party's* devolution opponents to put party loyalty ahead of dogma. That, at least, is how the Whips are likely to put it.

To succeed in that and so ensure the support of the 11 Scottish Nationalist MPs for another few months, half the 45 or so Labour MPs who have consistently voted against devolution would have to follow the Party's line.

If the Government does not try to push its luck too far, it might be fairly confident of victory. If it asks Parliament to press ahead with the assembly when only a small majority of the Scots have endorsed the proposals, it might run into trouble.

When the results start coming through tomorrow, the devolution opponents will look not only at the size of the majority but at the total number of voters and the voting patterns in such key areas as Strathclyde, where *Labour traditionally counts on* support.

They will then make up their minds about how to react to any Government initiative on a combination of those factors.

But for those backbenchers, a majority in favour of Scottish devolution today would be almost the end of the matter as far as Westminster is concerned. However, the Government is obliged to lay an Order before Parliament repealing the legislation if less than 40 per cent *of the electorate* votes for the proposed assemblies.

Merely to be obliged to lay an Order does not, however, mean that the Government must support it.

Over the past few weeks, Ministers have increasingly emphasised the referendum's nature as "consultative," not mandatory. They seem thus to have been preparing the ground for a result that showed a majority in favour of devolution but one that fell short of *the required 40 per cent* support.

No decision is likely for at least a week. That will give the Labour Whips time to assess the likelihood of getting the devolution opponents to support the Party line. For although the Government may not regard the vote as technically one of confidence, it would be a very serious issue on which to be defeated.

After today's by-elections, which should return two new Conservative MPs, the Government will be in a minority of 16. But in a vote to set up a Scottish assembly, it might count on support from the Scottish nationalists and presumably the Scottish Labour Party.

Given a clear majority in favour of devolution, the Liberals would probably also support the Government if it missed the 40 per cent target.

Assuming that no Conservatives vote with the Government, that means that Labour could still win, even if about 20 of its MPs voted with the Conservatives. The obstacle the Whips might meet is in persuading MPs that their vote might be the one to bring down the Government.

"Yes" votes needed to meet the 40% Rule*

Size of poll (%)	Proportion of "yes" votes (%)
40	100
45	88.9
50	80.0
55	72.7
60	66.7
65	61.5
70	57.1
75	53.3
80	50.0

* All figures are percentages of adjusted electorate.

Total on Scottish electoral register	3,837,114
Electorate after adjustments for death, under-18s, etc.	3,747,112
Total "yes" vote required	1,498,845
Total on Welsh electoral register	2,083,797
Electorate after adjustments	2,038,049
Total "yes" vote required	815,220

The adjustments mean that, in *Scotland*, the 40% requirement will be met by a "yes" vote from 39.06 per cent of those on the electoral register. In Wales, a "yes" vote is needed from 39.12 per cent of those on the electoral register.

Only a very small minority of Labour MPs seem to regard the 40 per cent rule as totally inflexible. Indeed, the Tories might not quibble too much themselves if the vote in Scotland was, say, 39.5 per cent in favour and 22 per cent against.

In the same way, some Labour backbenchers most closely associated with the fight against the Government's proposals would not go to the stake on such a result.

However, some members of the group would find it difficult to square a Government vote with their consciences if the vote in favour was far short of 35 per cent or if there was a low turnout today.

As one said last week, "How culd I justify having made all this fuss in the past if I behave like a sheep now? After all, we are only talking about keeping the Government in power for another few months, but devolution involves permanent constitutional changes."

Other Labour MPs take a more pragmatic view. They feel that the political climate has changed sufficiently since the original battles on devolution to necessitate their supporting the Government through thick and thin.

They believe that, if necessary, the Party's National Executive might be used to persuade some of the strongest devolution opponents to fall into line.

Todya's referendum result might therefore solve very little and mark the beginning of yet more heart-searching for Labour MPs over an issue that has caused very painful splits.

The party's business managers hope only that this is the last time they have to court the devolution opponents, many of whom were loyal, obedient backbenchers, until this issue arose.

No second chance Steel says

By John Hunt, Parliamentary Correspondent

ON THE eve of the referendum Mr. David Steel, the Liberal leader, warned the people of Scotland last night that it was "*now or never*" for devolution.

Meanwhile, Mr. Enoch Powell, Ulster Unionist MP for Down, South, and a former Tory Cabinet Minister, appealed to the People of Wales to reject the devolution proposal decisively.

Mr. Steel, speaking at Kelso, Borders, said: "It is no good anyone thinking that a new committee or Speaker's Conference will come up with more acceptable proposals."

Those who favoured devolution but recognised the flaws in the Act should still vote Yes to get the process going. "You can later improve and develop the assembly but you cannot improve something you haven't even got."

Mr. Stephen Ross, Liberal MP for the Isle of Wight, speaking at Wallasey, said that the Labour Government could not expect another deal with the Liberals if it got into difficulties over devolution.

Mr. Powell described the Wales Bill as "a perfunctory apology for a scheme cobbled together with an assembly which would not even have the powers of a regional local authority."

A majority for Welsh devolution would turn the principality into "a cosy backwater in which bureaucrat and crank can feather a comfortable nest for themselves."

Plaid Cymru pessimistic

WELSH nationalist leader Mr. Gwynfor Evans all but conceded defeat yesterday in the devolution poll.

He said: "Our people have worked reasonably hard, but not enough work has been done on the doorstep. The point of the anti-assembly campaigners have no substance, but they seem to have got them across to the voters."

Kilfedder quits Ulster Unionists

BY STEWART DALBY

MR. JIM KILFEDDER, the MP for Ulster's Down, North, has formally resigned from the official Unionist Party, the largest of the Protestant-dominated Unionist groups in Westminster. His decision was conveyed to the Speaker of the House of Commons yesterday and has been accepted.

The rupture was long expected. Mr. Kilfedder, who was expelled from the Westminster Unionist group three years ago, has felt that the party fails to pay enough attention to local needs and to push strongly enough the case for a fully devolved local parliament.

Mr. Kilfedder has consistently voted independently of the other seven official Unionist MPs. He has criticised what he calls the "elitist and Powellist-led Unionists." That is a reference to Mr. Enoch Powell, official Unionist MP for Down, South, and deputy leader of the Parliamentary party.

Recently in an attempt to improve party unity, and thereby power, there was an exchange of letters between Mr. Kilfedder and Mr. Harry West, the party leader. It was felt that because of the Labour Government's minority position, the Unionists could influence the Government.

However, Mr. Kilfedder made public the contents of the letters. He took umbrage at suggestions in Mr. West's letter that he was under strain and should rest.

Mr. Kilfedder will not join any other party but will sit as an Ulster Unionist independent. He has great local support in Down, North, and it is considered unlikely that he will be dislodged at the next general election.

Labour Left reselection move thwarted

By Elinor Goodman

LABOUR LEFTWINGERS failed yesterday to get the sensitive question of automatic reselection of MPs on the agenda for this year's party conference.

Led by Mr. Frank Allaun, party chairman, they tried to get the National Executive Committee to use its authority to override the rule that normally prevents the same question from being discussed by the conference more than once every three years.

The executive also tacitly acknowledged that the party's recent advertising claim that the Government was overcoming inflation was very badly timed.

Posters that appeared just when the lorry drivers' strike was taking its toll of the public showed a dragon lying on its back symbolising the claim that inflation was no longer breathing down the neck of every shopper. They are shortly to be replaced by a more suitable message.

The meeting, attended by the Prime Minister, also passed a resolution reaffirming the executive's strong opposition to public expenditure cuts.

In what was presumably supposed to be a warning shot to the Chancellor of the Exchequer, the executive said that such cuts would inevitably lead to an unnecessary increase in unemployment when what was needed was more public spending rather than less.

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1st March, 1979

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Keeps tight control of the channels

DEVELOPED PRIMARILY for *naval purposes, but having* obvious applications in any busy communications centre, afloat or on shore, is a control system called CETAC.

Standing for Communications External Tactical, the acronym describes equipment that will handle complex multi-channel *communications equipment*, switching all facilities to pre-determined channels and operating modes at the touch of a button.

Frequencies, channels, services and bandwidths can be pre-programmed and all communications parameters can be changed instantaneously and accurately. At the same time, however complex the equipment, *a continuous status* display is provided so that a situation can be appraised at a glance.

Cetac, which is the subject of patents is also provided with powerful diagnostics which permit fault detection down to sub-assembly level and some*times down to the individual* faulty integrated circuit.

Built into the system are what could be called a series of inhibitors so that operation of one facility will not interfere with another and particularly vital one—helicopter approach guidance for instance.

Heart of Cetac is its microprocessor which has memory and display and keyboard facilities. Through this, the various items of data are entered to *enable the whole system* to be switched over to ship-to-ship, ship-to-shore or whatever.

Slow or incorrect change of parameters due to human errors is completely eliminated, Redifon asserts and thus frequencies which have not been correctly programmed cannot be transmitted. As could be expected for a system which is likely to be involved in weapons control, the equipment is fail-*safe*.

Another aspect of the use of Cetac is that it provides an interface between external and internal communications systems.

The introduction is timely in view of the fact that many more tanker mishaps can be expected *over* the next several years, which spells a need for powerful and easily controllable communications both on oil spill fighting vessels and at the bases from which such operations are directed. At the same time, crowding of high speed units such as container carriers into *the narrow shipping lanes of* the straits of Dover, cheek by jowl with massive tankers, liquid methane carriers and other potentially dangerous hulls demands better communications than at present exist.

Further details of Cetac from Redifon Telecommunications, Broomhill Road, Wandsworth, London SW18 4QJ. 01-874 7281.

● COMPUTERS

Mini market will expand without a check

THOUGH it would be premature to say that DEC, for years the bellwether of the mini market, *is feeling the pinch in Europe*, there are signs that the market leader has slipped.

An analysis of sales coupled with forecasts to 1982, carried out by International Data Corporation in its Eurocast series, shows that for 1977, Hewlett-Packard took a clear lead in terms of value with $150m shipped to European countries against $135m for DEC and $90m for Data General, Siemens being in fourth place with $31m.

DEC figures, which exclude the much larger 10 and 20 series machines, reflected the effects of a lengthening in delivery periods, which also made itself felt in 1978, but not to the extent of greatly altering the installed base.

The IDC projections start from a $667m total shipment in 1977, growing to $878m in 1978 and $1,141m this year, with 1982 predicted to reach $2,383. The average growth year by year is around 30 per cent with unit shipments expanding at a slightly less impetuous rate of around 27/28 per cent, from *16,080 to 54,794*. Thus, average system cost will rise in absolute terms from $41,500 to $43,500.

Significant in this sector of the IDC analysis is that while many observers have been predicting mayhem in minis at the hands of the micro-computer, the IDC investigators see little abatement in the headlong rush to buy minis, although they do say that equipment such as the *DEC LSI-11* in the "*micromini*" class will account for almost half the shipments of minis in 1982 against 38 per cent in 1979.

Interesting is the assumption by the team that IBM's Series 1 will emerge as a supermini rather than being confined to the traditional mini function as at present, which begs the OEM question yet again.

For serious consideration by the men at the Ministry is the statistic that while GEC, Ferranti, Digico and Computer Technology between them hold 21 per cent of the UK market, these companies have made no significant impact in Europe.

This extensive report is priced at £1,850 and is available from IDC Europa, 2 Bath Road, *London W4 1LN. 01-995 9222.*

Stores the formulae for display

CHEMISTS, NOT unnaturally, tend to think and communicate in terms of formulae and equations rather than plain English, so that if they are to use word processing systems, something different is needed.

ICI's pharmaceuticals division has taken delivery of one of the first word processors modified to handle complex chemical notation. Made by Vydec, the equipment was launched at the International Word processing Exhibition in Los Angeles recently.

It allows diagrammatic chemical structures to be built up piece by piece, while commonly used structures can be stored in *the memory and recalled at the* touch of a button before being printed.

The development is of some interest to the pharmaceutical and chemical industries. Mix*tures of* text and chemical structures can not only be stored and printed but could also be sent along telephone lines to other similar machines, speeding up the exchanges of scientific information.

There is also the prospect of speeding up the flow of data to *regulatory bodies to obtain* more rapid clearance for products.

More from ICI, Millbank, London SW1P 4QG, (01 834 4444).

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The effect of electrical power interruptions can be disastrously expensive. Whilst the householder knows the value of freezer contents, the cost of lost production time in industry, delivery delays etc. are often incalculable. The time to think about it is now, not when the situation dramatically arises.

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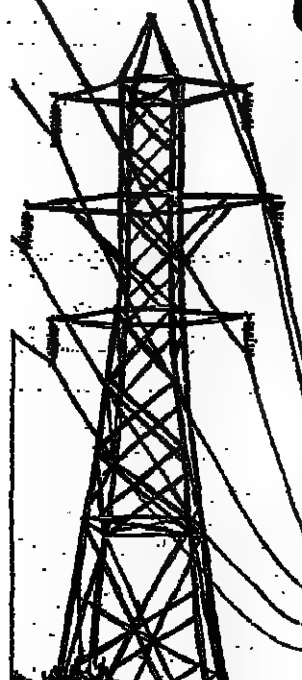

G&M POWER PLANT

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Your Assurance of sound design and production to

● SAFETY

Glimpse of rogue gives the alarm

INCLUDED IN the closed circuit television systems from Reliance Systems is a motion detector, coupled with a two-way audio link and video tape recorder.

When security television cameras trained on various areas of the works/store/offices detect any movement after normal hours within their field of view an alarm sounds at the security controller's base. The television camera in question *can then be switched to* the monitor screen and the incident watched. Alternatively, an automatic switch will put the relevant camera on the monitor without the security staff's intervention.

Cameras can be manually controlled by a joy-stick operation *from the security base to follow* an intruder's movements. With linked microphone/speakers, security staff can address the intruder and hear his reply—if any—from safety.

Optional is a videotape recorder, again capable of being switched on manually when *motion is* detected, to provide police with evidence in their subsequent inquiries.

Motion detectors are available for Reliance's standard television equipment and can be supplied on the small two-camera plus one monitor systems, as well.

Reliance Systems, Turnells Mill Lane, Wellingborough, Northants NN8 2RB.

Guide to safety

LATEST CODE of practice published by the Machine Tool Trades Association covers the safeguarding of transfer and other special purpose machine tools.

Prepared by a working group of machine tool specialists the code gives general guidance on safeguarding methods and indicates criteria to be observed in design, construction and application.

The code is the sixth in a series published by the MTTA over the past year. Earlier guides covered sawing and cutting-off, grinding and honing, broaching and turning machines and machining centres.

Code of Practice—Safeguarding Transfer Machines and Other Special-Purpose Machine Tools. A4. 30 pages is obtainable, price £5.00, direct from MTTA (Publications), 62 Bayswater Road, London W2 3PH.

● LUBRICATION

Compound protects open gears

PARTICULARLY for use in dusty conditions is an open gear lubricant, Moly-Paul Grade 842, which has been introduced by K.S. Paul Products, Nobel Road, Eley Estate, London N18 3DB (01-807 5566).

The company says it incorporates 6 per cent molybdenum disulphide and graphite in a *volatile solvent which* evaporates after application, leaving the gear teeth with a dry but flexible coating which is very much like paint when it hardens. The coating provides a low friction film between mating teeth and is suitable for low speed gears.

The compound is normally applied using a brush. When the application is to a gear train the compound can be brushed on to the teeth of one of the gears while the train is slowly rotated by hand, and although it will transfer readily on to the teeth of the gears, the task must be accomplished fairly quickly before evaporation occurs. Normally, it takes about 10 minutes for drying to be complete.

Typical applications are for gears working in cement works, in mining equipment, in paper

The Science Research Council has ordered two of these model 9 master slave manipulators from Vickers Nuclear. They will be installed at the Council's Rutherford Laboratory, Oxon, and will be used for the remote safe handling of components in the spallation (atom fragmentation) neutron source now being constructed.

● TEXTILES

Looks out for faults

MODERN TEXTILE processes are today usually high speed and this means that in the event of a fault happening, unless the machine is being constantly monitored and automatically *stopped, the loss of first*-quality production can be considerable and expensive.

This is particularly important with various types of knitting machines and for a number of years various types of automatic scanners have been in use in warp knitting where, with pro*duction speeds of over 1,000* courses per minute, an undetected fault can rapidly be magnified.

Now a new scanner is being introduced for use on circular knitting machines. It has been evolved by Meiners Electronic Controls [illegible] Close, London EC1A [illegible]. The unit is being mill tested in British knitting mills and will be introduced to the trade at the forthcoming ITMA textile machinery exhibition held in Hanover later this year.

The same company is also *engaged in the development of* a new type of warp stop motion for use on looms and this should also be launched later this year.

● METALWORKING

Cuts many types of gear

IN ADDITION to its current [illegible] Bradner gear hobbing machines, a range of new high performance gear hobbing machines is being manufactured by Precision Gear Machines and Tools, Red Ring Works, Bodmin Road, Wyken, Coventry CV2 5DZ (0203-616231).

They are being marketed under a PGM-Staehely label, and are a continuation of Rudolf Staehely range of machines made in Wuppertal, West Germany. The company has *now* acquired sole European manufacturing rights.

Three sizes are offered initially — ranging from 200mm capacity to 650mm capacity.

Apart from suitability for the high performance hobbing of all forms of spur and helical gears [illegible]

● COMPONENTS

Low power flameproof motor

A NEW, low-power flameproof motor (0.25, 0.33, 0.50 or 0.75hp) has been designed by Small Electric Motors of Kangley Bridge Road, Sydenham, London SE26 5AS (01-659 4021). It is intended for use in areas where flammable or explosive gases, vapours, or liquids are processed, handled or stored.

Uses for this unit are in fuel dispensing pumps, fire alarm sirens, fan drives or extraction equipment, mixing or stirring volatile liquids and paint spraying.

The motor is BASEEFA Certified for Zone (Division) 1 Group II Areas (FLP 2975) and is obtainable with or without an external switch.

● IN THE OFFICE

Transcribes with ease

DICTAPHONE HAS added to its "Thought Master" standard cassette desk-top dictation machine an electronic indexing system visible to both the author, as dictation is made, and to the secretary on scanning the tape for transcription.

A flashing electronic cursor shows author and secretary the current record / playback position on the cassette tape and a display panel indicates the location of special instructions, lengths of documents and priority requests. The author can also locate earlier work on the tape by referring to the flashing electronic cursor on the panel and can signal a special instruction relevant to that point.

The secretary has full visible information about the amount of work before her and the length *of each piece. This is true even* when the machine is in fast forward or rewind: the information and electronic cursor stay on target.

Another valuable item on the Model 284 is a self-diagnostic capability that facilitates servicing. The service engineer can set *the machine to tell him*, by the pattern of lights displayed, the existence of any fault and which component needs changing to rectify it.

Dictaphone, Alperton House, Bridgewater Road, Wembley, [illegible]

CUBITTS
MASTER BUILDERS
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Holland, Hannen & Cubitts Limited

● HANDLING

Designed to lift heavy loads

HYDRAULICALLY operated lifting cylinders designed for heavy-duty on-site jacking operations such as might be required in construction, process plant erection or shipbuilding, have been introduced by Enerpac of Estate Road, Newhaven, East Sussex BN9 0AN.

Available in a variety of sizes and capacities from 50 to 500 tonnes, the cylinders offer a standard maximum stroke range of between 150 mm and 12220 mm. Optional strokes of 305 mm, 455 mm, 610 mm and 915 mm are also available. Collapsed heights are between 264 mm and 1645 mm, according to model.

To provide the user with a choice of equipment to match the type of application, three basic cylinder types are supplied. These comprise types CLS and CLL which are both single-acting, gravity-return lifting cylinders, the latter incorporating a safety lock-nut which enables the load to be secured in any position without the need *for packing*. One of the advantages of this facility is that the hydraulic power pack *may* be disconnected and removed for other duties until required again.

The third type, the CLR, are general-purpose, double-acting cylinders with hydraulic return and are designed for applications where high tonnage and hydraulic control of both advance and retract movements are required.

Enerpac cylinders may be operated independently or connected in series for large or complex lifting or positioning operations. For multiple setups, split flow can be arranged from a single pump installation.

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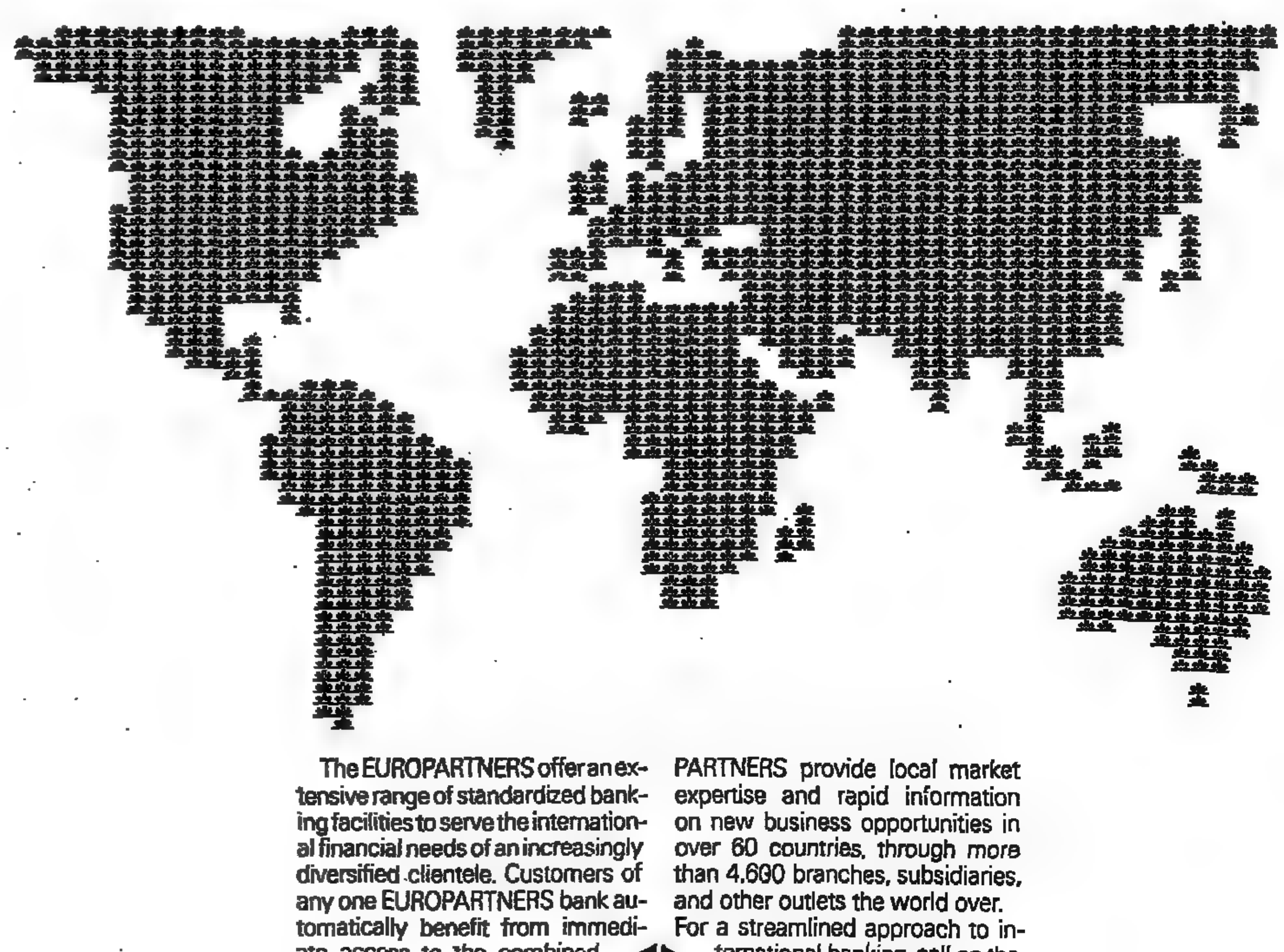

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THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

Have manufacturers caught up with the vast army of working women? Have marketeers liberated their approach? Is magazine advertising missing up to half its audience?

BY MICHAEL THOMPSON-NOEL

STRANGE HOW the advertising and marketing communities periodically hurl their research departments in the air, swap their In trays for their Out, dive back into the textbooks and emerge, some unspecified time later, clutching disentombed truths and rediscovered verities.

An example is the current realisation that marketeers, on both sides of the Atlantic, are still harbouring outmoded assumptions about the fairer sex, and that in many markets, manufacturers and suppliers of services are underestimating the number of working women, overestimating the number of fulltime housewives and failing to take account of the changes in lifestyle that have occurred among both.

Rena Bartos of JWT in New York was one of the first to initiate the current round of reappraisal, referring, last year, to the monolithic view of society adopted by many marketing departments that assumed that everyone was cut out of a few basic cookie-cutter patterns, with the result that many manufacturers were stranded in a yawning gap between the realities of social change and their own marketing procedures.

There was nothing remotely inaccessable in what Ms. Bartos said. What was striking was that it had apparently been forgotten, and that numerous manufacturers and the more Novocained of agencies had let their stereotypes slip so wildly out of gear. In Britain, the slower marketing departments are now taking a bashful sideways look at how they sell to women; the subject of evolving female lifestyles is providing grist for more and more conference dissertations; and at the Dorchester the other eve, in the unambivalent atmosphere of the annual dinner of the Marketing Group of Great Britain, Lady Howe, deputy chairman of the Equal Opportunities Commission, declared roundly that failing to keep abreast of changes in the marketplace was simply bad business.

Creditworthy

The distaff consumer market is growing faster in terms of size, influence and status than its male counterpart, said Lady Howe. Forty per cent of the workforce were women; 1m additional married women entered the workforce between 1971 and 1977; in households with full-time working women, the female contribution to household income was two-thirds that of the male contribution; one-in-five women were economic heads of household, and in 5 per cent of households, the female breadwinner was more creditworthy than the male.

Yet many products were still advertised and packaged in a manner that assumed a woman's only place was in the home, or that only women shop for food, or that only women cook, or that only men drive cars, buy cameras, paint ceilings and chose holiday destinations.

A lot of advertising was missing half its market, claimed Lady Howe. Certain well-established market leaders could justifiably continue with traditional marketing themes like Persil and its mother love. But the field was wide open for competitors to adopt more contemporary strategies that reflected changing lifestyles. Advertisers already displaying a liberated attitude included Guinness, the Halifax Building Society and the Trustee Savings Bank, said Lady Howe. But much more could be done: research had clearly established that "liberated" advertising significantly outscored more "traditional" portrayals of women in ads in terms of perceived originality, meaningfulness and an urge to buy.

There was a growing contrast, said Lady Howe, between *women as depicted in films*, television plays and magazine editorial and as depicted in the accompanying ads. As examples she cited Woman's Own and Good Housekeeping, where the "features and campaigning editorial are much more contemporary than the advertisements."

Is this true? Without a copy of an intimate readership profile of either magazine, it's hard to say, *but Lady Howe is probably* right. The current issue of Woman's Own ("Britain's Top Selling Weekly For Women, 14p") includes a lengthy cover story headlined "Why Marion Thorpe Will Never Leave Jeremy," an offer of Gayle Hunnicutt's "gorgeous new twin-set," a decidedly wet love story, an obligatory feature on Prince Charles, a bit about lamp shades, one about hairdo's, another love story, a dispatch from inside a donkey sanctuary, another love story, and Mary Grant's Problem Page ("Make it plain that you cannot go on lying and that she will either have to give up inviting him in or have a frank sort-out with your parents over the whole issue of the boyfriend").

Cobwebbed

Nothing aggressively up-to-the-minute, but then the advertisements — Lady Howe is right — *are positively cobwebbed*, Clarks Sidewalkers, Buxted Southern Fried Chicken and Benson and Hedges proving the exceptions to the rule.

Four very different ways of talking to women. Left to right: current ads for Aristoc tights, the Creda SieMatic 4004 English kitchen, and Guinness.

Good Housekeeping fares better. The advertisements are by no means shockingly far behind, although one for Poggenpohl kitchen units shows a housewife cosily knitting, and page 49 carries an advertisement for the Creda SieMatic 4004 Continental kitchen that has offended Lady Howe. (Earlier in the issue there is a condescending advertisement for Parker Knoll and another for Elbeo tights).

Whether or not magazine advertisers have yet mastered the new vocabulary of the women's market, they continue to display supreme confidence in magazines' ability to deliver the goods. The latest estimate for UK consumer magazine advertising last year, on an Advertising Association basis, *is £138m, around 20 per cent* up to 1977. The trade magazines showed even faster growth—approximately 25 per cent ahead at £165m.

Covering its bets on an heroic scale (the election, the dollar, and what it calls "general widespread industrial unrest"), Young and Rubicam nonetheless forecasts further big growth for magazines this year. "With continuing high demand for television airtime and an ever-present possibility of rationing, magazines may stand to gain an increasing share of advertisement revenue. In addition, the gap between magazine and television costs continues to widen—magazines went up by about 15 per cent compared with 22 per cent for television in 1978—making the former an even more attractive alternative in 1979."

According to a recent analysis of women's magazines by Michael Bird, marketing director *of the National Magazine Company*, which publishes Cosmopolitan, the best percentage circulation gains over the period 1970-1978 (June) were shown by Good Housekeeping (+71 per cent at 333,000), House and Garden (+62 per cent at 123,000), Annabel (+62 per cent at 266,000) and People's Friend (+46 per cent at 733,000). Despite their cover prices, Harpers and Queen (+22 per cent at 77,000) and Vogue (+11 per cent at 128,000) also did well.

Freedom years

According to Mr. Bird: "Many more magazines are aimed at the young (under-35) ABC1's than at the older (35-plus) C2DE's, although the former number about 5.5m women and the latter 16m. This vast "older/poorer" sector is indeed a gap in the market if, as D. C. Thomson (the Dundee publisher of *Annabel, People's Friend and* My Weekly) alone seems to manage, trendiness is shunned and, most important of all, production costs kept right on the floor."

Mr. Bird says there has been an undermining of the market for romantic magazines like Hers, True, Loving and Woman's Story. Since such magazines largely served to alleviate boredom and loneliness among stay-at-home C2D women under 35 says Mr. Bird, it is possible that the Pill and the rush to full-time work, which on the one hand helped create the market for Cosmopolitan and its successful sister publication Company, have left love bleeding at the other end of the scale.

Magazines like Cosmopolitan and Company have helped demonstrate that between the teenager and the young matron is a vast market of independent women enjoying what Mr. Bird romantically calls the freedom years (for middle-class women, 18 to 28). But he doubts whether agencies, advertisers, market researchers in particular have fully cottoned on.

McCann scores more points, wins Gillette; Pernod raises budget 81%

BY MICHAEL THOMPSON-NOEL

McCANN-ERICKSON, the second biggest advertising agency in Britain, has scored further points off the No. 1, J. Walter Thompson. Last year, McCann caught JWT with an uppercut, wresting the £3m Kodak account. It has now followed with a violent left cross, winning Gillette UK's £1.5m shaving account which largely covers Gillette's Contour, GII and disposables business.

JWT was fired by Gillette worldwide last month because the agency had flouted Gillette's long-standing no-competitor policy and accepted several international Schick razor and blade assignments from Warner-Lambert.

The international Gillette advertising account is worth $25m — approximately $15m in the U.S., the rest elsewhere. In the U.S., it is thought that JWT deliberately strove to lose Gillette and that a large part of its Gillette billings will be made up by Schick.

The Gillette gain in the UK almost precisely matches McCann-Erickson's recent loss of the Tetley tea business. McCann vice-chairman and chief executive Bill Murphy said yesterday that the win was a further boost to morale. It is thought to have beaten four other agencies which already handle Gillette accounts in the UK: Ogilvy, FCB, Benton and Bowles and Saatchi and Saatchi. McCann already works for Gillette on the Continent and in Japan.

Mr. Murphy said it was "too early to start moving numbers around" in terms of the McCann group's billings this year—mainly because of the impact of the lorry drivers' strike on clients' business. But a group figure of £80m seems likely.

Good start

In the UK, Gillette is thought to have around 44-46 per cent of the total wet shaving market, worth approximately £34m last year. Last September it launched its Contour self-adjusting razor which has a pivotal head and retails at around £2. Contour (sold in the U.S. under the brand name Atra) has made a good start in Britain. Close to 500,000 units have already been sold, said the company yesterday, though the lorry drivers' strike had played havoc with distribution. The Gillette disposable is No. 2 in sales after Bic, although Gillette has so far put no main-media expenditure behind it.

In the U.S., meantime, Gillette and Bic are reported to be moving towards a fresh showdown in disposables, where total U.S. sales account for around 15-16 per cent by value in a total blade market worth $425m at retail. (Total Gillette corporate sales last year were $1.71bn for a net income of $94.6m.

Gillette is about to test a new single-blade disposable in the U.S. retailing at two for 39c, despite its belief that the international market will convert to near-total twin-blade shaving in the coming decade. Bic has retaliated with a new comparative advertising campaign on U.S. TV.

● PERNOD is raising its advertising budget by 81 per cent to around £610,000 and using regional posters for the first time (see right). Pernod sales rose 34 per cent to more than 250,000 cases last year, compared with an 18 per cent increase for spirits generally. Pernod says the brand is now well established in the South and that regional expansion is the next stage.

● MCCORMICK RICHARDS has retained the Leyland Vehicles account, worth £800,000-£1m, in competition with FCB, Benton and Bowles, and Dorland. Projected 1979 billings at McCormick: £13m-plus.

● BROOKE BOND has switched its Brazilian Blend instant coffee account, worth nearly £1m, out of DPBS and into Masius. Davidson Pearce retains £2.75m worth of Brooke Bond business, including PG Tips, Dividend and Coffee Time.

● ALLEN BRADY & MARSH is to handle Taylor Woodrow's main advertising, including corporate, from March 1. Charles Barker City will still advertise the company's financial statements.

● NET INCOME at Ogilvy & Mather International rose 18.1 per cent last year to $12,599,000 ($3.16 a share). Fee and commission income totalled $182m.

● THE CUBE WAR intensifies with a £500,000 campaign for Brooke Bond's new Chicken Oxo via JWT. The package includes distribution of 20m 4p coupons and £250,000 on TV.

A FINANCIAL TIMES SURVEY

MECHANICAL HANDLING

MAY 3 1979

The Financial Times proposes to publish a Survey on Mechanical Handling. The provisional editorial synpsis is set out below.

INTRODUCTION: Generally sluggish economic conditions worldwide have led to intensifying competition in export markets. But buoyant investment in the UK has created growth opportunities in the home market for parts of the industry.

Break-down of industry into its constituent parts:—

INDUSTRIAL TRUCKS: The most internationally orientated sector of the industry, industrial trucks have suffered most from world growth rates not coming up to expectations. Competition from Japan is becoming increasingly significant for European mnaufacturers.
Profiles of leading companies: UK and European.

CRANES: The continuing recession in heavy industries like steel and shipbuilding has hit home markets of European crane manufacturers.

CONVEYORS: The bulk handling sector of the conveyors industry has also been affected by the lack of growth in the process plant industry, but unit handling equipment manufacturers have had a more rewarding year.

LIFTS, lifting and winding equipment: Much of the industry is geared to the needs of civil engineering, which continues to languish. Hoists for industrial purposes are closely allied to the fortunes of related industries such as cranes, and have lagged along with the stagnant industrial situation.

THE MIDDLE EAST: It has been an important market for the mechanical handling industry. What does the present slow-down in growth mean for the future.

AUTOMATION: Various aspects of mechanical handling lend themselves increasingly to automated control. An explanation of the latest developments.

LEASING: This is taking a growing share of industry's capital investment programmes, and has always been popular with industrial trucks. Examination of the advantages/disadvantages in the light of current interest rates.

FACTORY AND WAREHOUSE SPACE: Pressure is growing to utilise factory and warehouse space more efficiently.

CRANES, CONVEYORS, LIFTS, LIFTING AND WINDING EQUIPMENT: These have their own sub-committees which were set up recently by the NEDO sector working party on mechanical handling.

For further details of advertising rates for this Survey contact
Nicholas Whitehead
Financial Times
Bracken House, 10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 Ext 7112

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Contact Bill Robertson, Managing Director.
RPA Management, Russell Chambers, Covent Garden, London WC2E 8AA. Telephone: 01-836 0073.

Ogilvy & Mather
INTERNATIONAL INC.
Advertising

1978 ANNUAL RESULTS

Summary of unaudited results for the twelve months ended 31st December, 1978 with comparative figures for 1977.

	$ 1978	$ 1977
Gross income	181,674,000	151,370,000
Less operating and other expenses	153,364,000	125,649,000
Profit before tax	28,310,000	25,721,000
Taxation	15,711,000	15,051,000
Profit after tax	12,599,000	10,670,000
Earnings per share	$3.16	$2.79

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THE JOBS COLUMN, APPOINTMENTS

Chance of $1m • Rippin trio • UK chief

BY MICHAEL DIXON

ADVENTUROUS but financially shrewd general managers the world over, pin back your ears. If whoever gets today's first job succeeds, he or she should, in six years' time, have gained U.S.$1m, on top of a $35,000-$50,000 tax-free salary and commensurate perks. If not, wallop!

The story starts with the Jobs Column's inquiry some two weeks ago if long-lost headhunter Jim Smith was "still out there." He was, and rang in, just happening to ask in passing if readers might be interested in a job based in the Bahamas, which he had been asked to handle.

Actually the newcomer will spend the first year or so mainly in America, working with the inventor-and-developer of an advanced automotive product for which a big international market is foreseen. Mr. Smith cannot be more explicit about his client but, like the other similarly placed headhunter later on, will abide by any applicant's request not to be identified to the employer until specific permission is given.

But since the tasks will include setting up the financial structure of the manufacturing, marketing cum distribution company to deal with the new product in volume, the newcomer will soon transfer to a Bahamas base. From there, as finance vice-president and chief of staff to the founder and major shareholder, the recruit will run the intended world-wide business.

"It's really the business equivalent of being a chief air-traffic controller," said Jim Smith. "It means mostly sitting at a desk in the middle, and keeping absolutely in touch with everything that's going on all around."

Demonstrable skill in tight, continuous financial control is wanted particularly among copious capabilities of senior-general-management kind. Numeracy and affinity with the engineering-mentality is also required, and experience in industry connected with car-manufacture would be an advantage. The preferred age range is 36 to 42.

Equally advantageous would be familiarity with high-level personnel work since the new vice-president will be responsible also for the design and staffing of various organisations, almost certainly in several different places, and for keeping the human side of the companies' management in continuous good order.

In sum, the founder, who plans to concentrate his own attention on the forming of broad policy for international growth, is seeking a personal, professional chief executive to run the large-scale operations expected to result from the new product. Provided candidates are "culturally transferable" to top management of the American-owned variety, where they were born or are currently working is of little consequence.

What they must do, however, is to demonstrate their suitability for the appointment on on one sheet of paper and send it to Mr. Smith at J. G. Smith and Partners, 21, Princes Street, Hanover Square, London W1R 7RG.

Auchtermuchty

BESIDE a burn near Auchtermuchty in Scotland stands a new house which Robin Rippin, the 39-year-old creator of the £7.5m-turnover Rippin group, tells me is worth £40,000. It is available at a very reasonable rent to whoever becomes chief designer of the group's structural steel division producing custom-made and, with increasing emphasis, standardised buildings, costing from £10,000 to £250,000 or so.

Sadly, he added, he cannot offer housing 10 minutes away from the St. Andrews golf links to the two other people—both sales aces — needed by the division. One will be based in Birmingham to develop markets in the Midlands of England. The other will be in London doing the same not only in the South but also abroad, particularly in the Middle East, Africa and the United States.

All will be responsible primarily to chief executive Robert Peacock, and thence to no-nonsense (or rather less than that, if possible) Mr. Rippin who started his business with a small blacksmith's shop in 1968.

The Fife-dwelling chief designer will need consummate experience in the same highly competitive field of structural steel, where economy of design is at a premium. Another need is demonstrable ability to manage a team of about a dozen designers and estimators. Besides the considerable perk already indicated, there will be a salary of about £10,000 and the possibility of a performance-based bonus.

The person who sets up the sales base in London will—like the chief designer—be expected to earn quickly a place in top management. Candidates must have successful records of sales, particularly overseas, and contacts in governments and other organisations which buy the division's types of product. Management skill is wanted, although no supporting staff are in view for the present. Work abroad is likely to take at least half the time of the newcomer, probably aged 28 to 40. Basic salary of £10,000 upwards plus sales-related bonus and car.

The Midlands-based recruit will be someone with selling experience and contacts in a similarly appropriate field, and who is ready to establish self in sales management by opening up a big market in the region for the division's standardised, and also its custom-made buildings. Basic salary for this job is likely to be about £8,000 plus sales bonus and car.

Yet again, nationality and current country do not much matter provided that the candidate is culturally and linguistically transferable. Robin Rippin would even consider Sassenachs.

Written applications with relevant details to Helen Whitelaw of R. W. Kinnaird, 75 Buchanan Street, Glasgow G1 3HH.

Whizzbangery

FINALLY to the other headhunter who may not name his client: Michael Wood of Search and Assessment Services. The employer is a U.S.-owned group which makes high-technology equipment of the reprographic and photo-composition kind for business and other uses.

Lately the group has promoted the person who ran its United Kingdom subsidiary to be its vice-president for Europe, working from London. The recruit is needed to join him there and take over as general manager of the UK company.

Manufacturing is done in the States, but the general manager is responsible for about £10m-turnover of marketing and selling and servicing, as well as for the financial administration. Some 70 people are on the subsidiary's payroll. Responsibility will be to the recently elevated predecessor.

While Mr. Wood emphasised that someone aged in the mid to late 40s would probably be ideal, he would not turn a cold eye on a suitably qualified candidate as young as 30.

Cultural transferability into an energetic American-style business selling directly to the customer is essential. So is experience in sales and marketing and/or financial management in the field of data processing or other whizzbang business equipment, or in graphic products such as microfilmery. Managerial ability to ensure the respect of an established team of hard-sellers is also on the list, as is high-level negotiating skill.

As for salary, a basic of £12,000 to £15,000 is in mind, plus a bonus based on results. Perks include a car.

Michael Wood would prefer interested people of requisite experience to telephone him at Windsor (07535) 53331. But distant or pen-addicted applicants should send a career outline to him at 68 Sheet Street, Windsor, Berkshire SL4 1BY.

Re-Advertisement

Portfolio Management

c. £8,000

Dorset County Council administer pension funds totalling over £40 million, with an annual cash flow of £5 million. We are looking for an investment officer to help develop the in-house management of these funds. The successful candidate (male or female) will have several years' experience in an investment management organisation or in the finance department of a major local authority. An accountancy, economics or statistical qualification would be an advantage but is not essential if the candidate has particularly relevant experience. Experience and training will be given in all investment functions, including stock market operations, company financial analysis, overseas investment, and will involve meeting stockbrokers and advisers.

Assistance will be given towards relocation expenses up to £500. The County Town of Dorchester offers an extremely attractive working and living environment.

Application forms from County Treasurer, County Hall, Dorchester, Dorset DT1 1XJ.
To be returned by 15th March
Telephone Dorchester 3131 ext. 4114.

Previous applicants need not reapply.

Management Accountants

for Consultancy

London Based

We are the Management Consultancy arm of one of the largest world-wide firms of Chartered Accountants.

Our present need is for a number of first-class accountants from industry and commerce, aged 26-32, who have recognised the need to develop their abilities through exposure to numerous problems in a wide range of industries.

Assignments include investigations, and the design and implementation of a wide range of accounting and information systems. The scope of our work is enormous, covering all the functional areas of the business environment. Many assignments are tackled by teams with accountants working alongside economists and computer, production, distribution, marketing and personnel specialists.

We will encourage you to broaden your business expertise and commercial acumen through a personal development programme.

We are looking for an unblinkered view of wider commercial and economic issues and the ability to demonstrate that you can assist management in making the right decisions. Qualified accountants with at least two years' commercial experience and graduate level intelligence are required. Salary is unlikely to be a bar to well qualified candidates.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to A. C. Crompton quoting ref. 748/FT on both envelope and letter.

Deloitte Haskins+Sells
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128 Queen Victoria Street, London EC4P 4JX

FINANCIAL AND BUSINESS ADVISER

Through a team of well qualified and experienced professionals, MLH Consultants provide business and economic advice to major public sector organisations and practical management assistance to companies in the private sector.

We are looking for additional professionals to join the team. They will be qualified accountants with industrial/commercial experience who can demonstrate a record of success in management. Additionally they will have developed a specialist interest in either data processing, taxation or acquisitions and mergers, which will enable them to act as expert advisers in their own field.

They will be young enough to deal with new problems in new environments in an energetic and well-informed way, and be old enough to have obtained the experience to diagnose the actions required and the authority to implement them. They should justify an initial remuneration in five figures.

Whoever joins us will have the personal satisfaction of making a contribution to the team which will directly influence his or her own financial rewards and the future development of the organisation. Since travel is a necessary evil, location is not important though a Midlands base would be ideal.

Applicants should write, providing concise personal and career details, to: The Managing Director, MLH Consultants Ltd., Park House, 22-26 Great Smith Street, London SW1P 3BU.

MLH Consulting Group of Companies

Business development for sheltered workshops

Director of new unit

The Sheltered Employment Procurement and Advisory Service (SEPACS) is shortly to be set up by the Manpower Services Commission, to assist the 133 sheltered workshops run by local authorities and voluntary bodies who between them employ about 5500 severely disabled people. It will provide help in obtaining contracts, particularly from the public sector, and will advise on efficiency and other measures required to produce the goods to commercial levels of quality and volume.

The Director will establish and develop this new service and to do so will need an extensive background of business and financial management, and a considerable knowledge of production engineering and control and of product marketing. The successful candidate must be a first-class negotiator and communicator, well able to bring together individual or groups of workshops and their public sector customers in the negotiation of high-value long term contracts and also to encourage local authorities, nationalised industries and public corporations to participate in priority supplier arrangements in favour of the sheltered workshops.

This business development activity must, however, be matched by maximum productivity and economy in the workshops, and the Director will advise on capital expenditure or operational improvements which will facilitate greater efficiency. Experience of the special problems of small businesses would be useful, as would relevant experience in the field of the employment of severely disabled people.

The salary for this new London post (which is open to men and women) starts at £10500 and rises to £12735. The appointment is pensionable and will be for 3 years initially, with possibility of extension or permanency.

For further information and an application form (to be returned by 30 March 1979) write to Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). *Please quote G/5056/1.*

MSC Manpower Services Commission, Employment *Service Division*

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You're a qualified ACCA or ACA, possibly with 18 months' post-qualification experience of financial accounting. Even at this stage, you may be asking yourself whether it's better to stay with the firm you studied with – or to venture into pastures new for the sound, broad-based experience – and the opportunities for rapid progress – your career needs.

For that, you couldn't do better than join one of the UK's most dynamic and fastest growing multiple retailers. An organisation whose very size, sophistication and success can assure you of professional challenge and variety across the board – and high personal and financial rewards to match.

The company is Tesco and based at our Head Office you will be responsible to a Senior Financial Accountant dealing principally with the preparation of one of Tesco's Divisional profit and loss accounts. Experience of computerised systems would be an advantage.

We'll be pleased to negotiate a starting salary dependent upon your previous experience. Attractive benefits include company car, contributory pension scheme, private medical plan, subsidised restaurant and Country Club. Relocation expenses will be paid.

For more information and an application form, please contact Mrs. S. Phillips, Personnel Manager, Tesco Stores Limited, Tesco House, Delamare Road, Cheshunt, Herts. EN8 9SL. Tel: Waltham Cross 32222.

Checkout your future career with

TESCO

Senior Financial Analyst

North Sea Oil – Aberdeen

As part of the continued growth of their Aberdeen Financial Services, Conoco North Sea Inc. requires a mature young professional to provide the financial expertise to develop and implement effective computerised cost and inventory control systems for all its offshore activities where the emphasis is on control.

The Murchison Platform is currently under construction and jacket float-out and hook-up is planned for later this year. Financial Services provides support to Production, Drilling and Engineering Operations whilst maintaining a liaison with Accounting Departments in London.

This is an opportunity for a business graduate with a minimum of six years accounting experience in a multi-national company to develop with this expanding organisation. It is preferable that candidates have experience of working in an oil company environment and are fully qualified to ICMA although ACCA will be considered.

A highly attractive salary which will reflect experience and qualifications will be offered along with a benefits package that includes a non-contributory pension scheme and generous assistance with relocation to Aberdeen, where appropriate.

Please write or telephone for an application form to:—

Peter Horry,
Staff Administration Co-Ordinator,
Conoco North Sea Inc.,
Imperial House,
Exchange Street,
ABERDEEN AB1 2NH.
Tel: 0224-574631

conoco
CONOCO NORTH SEA INC.

Finance Director Designate

Warwickshire **circa £9,000+car**

This outstanding opportunity is with a multi-million turnover manufacturing division of a well known and substantial British Group. Responsibilities embrace the complete financial management and accountancy functions, together with a general involvement as a member of the divisional management team. The organisation is healthy, profitable and expanding and prospects of a challenging, yet secure career are very attractive. Applicants should be professionally qualified accountants with relevant experience in an engineering environment. It is unlikely that candidates under 35 will have experienced the necessary breadth of responsibility to adequately meet the demands of the position.

Please telephone 021-622 3838 for an application form at any time or send full personal and career details to John L. Overton, F.C.A., M.E.C.I., Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham, B5 7AS, quoting reference 3/1128.F.T.

Applications are welcomed from men and women.

OVERTON MANAGEMENT SELECTION

CHIEF ESTIMATOR

for structural fire protection company in the contracting industry with a turnover of approximately £3m, based in the East Midlands.

Experienced Estimator required to take charge of Estimating Department and to be capable of undertaking all aspects of cost tendering, be completely familiar with various contracts and contract conditions and able to take off quantities from drawings for preparation of tenders.

The successful applicant should preferably have quantity surveying basic training and background and have at least 5 years' experience as a Senior Estimator in the Building and Civil Engineering or Engineering field.

The position is permanent and offers an excellent salary, twice-yearly bonus, company car, pension scheme and 4 weeks' annual holiday.

Write in the first instance to:

Mr. R. A. Cochrane
MORCEAU FIRE PROTECTION LIMITED
Morceau House
Brookhill Road
Wharf Road Industrial Estate
Pinxton
Notts. NG16 6LE

هكذا من الأصل

CASH MANAGEMENT

c £7000

The Electricity Council manages a debt of some £5,000m on behalf of Electricity Boards in England and Wales.

You will join the small team responsible for this work which includes the forecasting of the electricity supply industry's cash requirements, raising its funded and temporary borrowings, servicing existing loans, the management of cash flow and the provision of cash and interest forecasts. The work is both demanding and interesting.

You must be able to think creatively, have sound commercial acumen and the ability to communicate effectively, both orally and in writing. You should have an accounting qualification or an economics degree and/or banking experience.

Salary will be within a scale £5730 to £7380 plus £286 additional payment.

Some assistance with relocation expenses given in appropriate cases.

Please write in confidence, giving age, career to date and present salary quoting ref FT/4 to:

Duncan Ross
Recruitment & Development Officer
The Electricity Council
30 Millbank, London SW1P 4RD

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Please send c.v. to Box A.6670, Financial Times, 10, Cannon Street, EC4P 4BY.

Leasing

هكذا من الأعمال

Kleinwort, Benson Limited seeks an experienced leasing executive who will deal with all aspects of the leasing business and will deputise for the Leasing Manager in the latter's absence.

The Bank is in the course of a rapid re-expansion of its leasing operation. The volume of new leasing and leasing-related business in 1979 and in subsequent years, both in the U.K. and in Europe, is expected to be very substantial.

The successful candidate must be thoroughly conversant with U.K. tax-based leasing, with particular reference to taxation and the financial mathematics of leasing and preferably (although this is not essential) have experience of one or more of:- export leasing, industrial hire purchase, lease-related lending.

It is likely that the successful candidate will have worked for at least 3 years in a major leasing house, and be under 35 years of age.

The remuneration package offered will reflect the experience of the successful applicant.

Applicants should write enclosing a full curriculum vitae to:–
Miss J. D. Buck, Personnel Officer
Kleinwort, Benson Limited
20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

National Bank of Kuwait Chief General Manager

c. $100,000 tax free

N.B.K. is an old established bank with an extensive domestic branch network plus links with associate banks in Europe and the Middle East. It has deposits of around $2.6 Billion and footings of $3.8 Billion and employs 1200 staff of various nationalities, predominantly Arab.

In recent years substantial international banking and money market operations have been developed. Existing on-line computer systems are currently being upgraded.

The present Chief General Manager retires shortly, after 20 years service and his successor will take over a modern profitable and highly respected banking operation. He will be responsible directly to the Chairman and the Board for the development of strategy and policies as well as the full operational control of all activities.

Candidates in their forties, must have had senior management experience in a major banking institution, covering domestic, international and investment banking, plus money market operations and computer technology. Fully furnished accommodation, company car and chauffeur, annual bonus and other benefits with a tax free salary, liberal home leave with airfares, education fees for children, make up an extremely attractive package.

Interested applicants should send brief but comprehensive *details to Leslie Coulthard at the address below, quoting Ref. No. 026/1/FT.*

Charles Barker-Coulthard
30 Farringdon Street, London EC4A 4EA.
Telephone 01-236 0526
Management Selection – Executive Search

Economists

British Railways Board has vacancies within their newly-created Strategy Unit based in London.

Experienced Economists are required to assist the Board's Senior Economist. They will work principally in the field of macro economic analysis evaluating the implications of UK and EEC economic development on the Board's businesses (including Shipping, Hotels, Catering, Property and Manufacture), particularly within the strategic development context.

Applicants should possess a good Honours Degree in Economics or Econometrics and have practical experience in Economic Forecasting and Analysis, Industrial Studies and ability to work within a team of diverse disciplines. Post Graduate Degree preferred.

The commencing salaries will be within the range £6,714 to £7,694. There is a contributory Pension Scheme and the transfer of existing pension rights can, in most cases be accepted. There are also free and reduced rate rail travel facilities.

Applications stating age, education, qualifications and experience should be sent to

Headquarters Staff & Services Manager,
British Railways Board,
222 Marylebone Road,
London NW1 6JJ
(quoting ref: RB37).

FINANCE DIRECTOR WITH A COMMERCIAL FLAIR

Birmingham **c. £12,500 + First Class Benefits**

The Midland Catering Group of Companies, part of Grand Metropolitan's Industrial Catering Division, is looking for a Finance Director-Designate. The position is directly responsible to the Managing Director, functionally to the Divisional Finance Director. The post is of a staff, rather than line, nature, accounting being divisionally centralised.

This means an unusually good opportunity to combine financial and commercial skills. The job entails the normal Finance Director's role, including:-

A good service of information and interpretation;
Being the centre of the Company's planning process;
Ensuring that the best systems are in force;
Ensuring optimum deployment of Company resources.

In addition, the Finance Director will play a major role in all the Company's ventures and joint ventures including overseas, especially Middle East and South America. This will include evaluation, monitoring, legal and administrative arrangements and systems as well as finance. Sound judgement and a grasp of commercial realities will be needed.

Candidates should be qualified accountants, men or women, aged around 35-45, with a track record which demonstrates the above skills. Experience in catering, or in a multi-unit organisation might help, as would knowledge of international finance. A period of overseas work in the past would also be valuable. More important than any of these are the personal qualities of enthusiasm, dedication, judgement and the will to succeed.

Replies stating age, qualifications and experience should be addressed to:

B. Simmonds,
Stoy Horwath Limited,
Management Consultants,
54 Baker Street, London W1M 1DJ
quoting reference MCG.

U.K. Fund Manager

Hill Samuel Investment Management Limited

As a result of the growth of their business Hill Samuel Investment Management have a vacancy for an additional U.K. Fund Manager in their Unit Trust Department.

This presents an opportunity for a man or woman to join one of the leading investment management groups.

Hill Samuel manage more than £1800m of funds for pension funds, unit trusts, insurance companies, trusts and other private portfolios.

Applicants aged 26–30 should have a degree or professional qualification and a minimum of 3 years' experience as an analyst/fund manager.

An attractive remuneration package will be negotiated including a profit sharing scheme, mortgage facilities, BUPA and an excellent non-contributory pension scheme.

Please write with full career details to: Mavis Clark, Personnel Manager, Hill Samuel Investment Management Limited, 45 Beech Street, London EC2P 2LX. Telephone: 01-628 8011

A member of the Hill Samuel Group

Accountant

Assistant to the Group Treasurer

The head office of John Laing Limited, an International construction Group, requires an Assistant to contribute to the developing Treasurer's Department based at their head office at Mill Hill.

The vacancy is most likely to appeal to an Accountant with one or two years' post qualification experience, though an exceptional newly qualified person would not be ruled out. An informed interest in economics and a willingness to make occasional trips overseas, are key requirements.

The successful applicant's duties would include assisting in all aspects of the department's work with particular emphasis on the management of Group funds, the maintenance of a computer based Bonds and Guarantees system and the review of the accounting systems and results of certain specialist Group companies in the UK and abroad.

Other duties envisaged are involvement in the development and operation of control systems to manage overseas cash balances, exchange risk exposure and Exchange Control consents.

The Company offers an attractive salary package with excellent benefits.

Please apply with full personal details to:

M. Fowler, Personnel Manager, Group Personnel Services, John Laing Services Limited, Page Street, Mill Hill, London NW7 2ER.

LAING

Credit Insurance Broker

Lowndes Lambert Group, International Insurance Brokers, seek a Broker to join their Credit Insurance team in the City.

Applicants, male or female, should be aged between 20 and 30 approx. with good education and must have detailed experience *of ECGD cover and export finance facilities, preferably with a* practical commercial export background including personal contact with exporters.

This is a career development appointment for which a salary negotiable from £5,000 p.a. is offered.

There are also valuable fringe benefits including a non-contributory pension, accident cover and BUPA membership, as well as house purchase and personal loan schemes.

Please write with full particulars or 'phone for an application form to R. H. Benwell, Personnel Department, Lowndes Lambert Group Ltd., P.O. Box 431, 53, Eastcheap, London, EC3P 3HL. Phone: 01–283 2000 ext. 3104.

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Lowndes Lambert Group

ADMINISTRATION MANAGER

South West London **Circa. £8,500 + car**

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The company requires an additional member of its management team to assist the Managing Director and perform duties of a financial and administrative nature. In addition there is scope for developing the management reporting systems and contributing to the general management of the company.

Candidates, aged 28-35, should have a professional qualification and the personal attributes to enable them to work on their own initiative in a small and vital environment.

For further information and a personal history form please contact **Neville Mills, A.C.I.S., or Lindsey Pratten, B.A., quoting reference 2401.**

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
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Due to expansion in our lending area we have an opening for a credit analyst who will join a team of analysts who provide support for our international lending activities.

The successful candidate will be aged 23 to 27, with a degree or other suitable professional qualifications, one to two years' experience in credit analysis, preferably obtained in an international bank. Initiative and the ability to assume early responsibility are important qualities.

Salary is negotiable plus usual fringe benefits associated with banking employment.

If you are interested in this position, please write enclosing a curriculum vitae or telephone for an application form to:

Miss G. Bock,
FIRST NATIONAL BANK IN DALLAS
60 Aldermanbury, London EC2V 7JT
Telephone: 01-606 9111

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For further details, please contact: RICHARD MEREDITH or ROY WEBB

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX · 01-623 1266

Scottish & Newcastle Inns Limited

Director

£50m Turnover — **High Level Remuneration**

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The first priority is for a person who has proven ability to command and motivate a substantial management team. Familiarity with the financial disciplines, including investment appraisal, which are necessary in a substantial retailing business is essential and so too is an ability to understand and enjoy the human nature of the licensed trade as it affects both employees and customers. A competitive spirit and a willingness to develop marketing initiatives at all levels are desirable qualities.

The maturity and experience required for this very senior directorship are only likely to be found in a person of at least 35 years of age. The remuneration package includes a generous salary, a car appropriate to the seniority of the post, a non-contributory pension scheme and other benefits.

To apply, please contact:
Henry Fairweather, Personnel Manager,
Scottish & Newcastle Inns Limited,
111 Holyrood Road, Edinburgh EH8 8YS.
Tel: 031-556 2591.

Scottish & Newcastle Breweries Limited

REUTERS · REUTERS · REUTERS

Economic Services Product Management

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Reuters is the principal world supplier of financial and business news. It provides banks, stockbrokers, commodity dealers and other financial institutions with instant, up-to-the-minute information, news and price changes affecting the major international markets. The information is supplied through computer terminals, teleprinters and bulletins.

Business growth has created a vacancy in Product Management. The successful applicant will assist in the development and administration of the present services and products; this will mean discussing marketing, financial, editorial and technical aspects of business with the specialist departments concerned and making decisions based on their requirements.

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Please telephone 01-353 7329 (24 hour answering service) for an application form, or write to,

Recruitment Manager
REUTERS
85 Fleet Street
London EC4P 4AJ.

This position is open to men or women.

REUTERS · REUTERS · REUTERS

Finance Director

Retail: London

This is a top-level executive post in a major public retail company operating High Street shops spread throughout the UK and actively developing several other trading ventures; turnover about £40m.

This director will be a leading member of the chief executive's general management team dealing with financial strategy and will also be responsible for efficiency of the finance and accounting functions.

Candidates, aged 35 to 50 must be chartered accountants with a successful record at senior executive level, well versed in corporate finance, profit/tax planning and modern management control systems; experience of management of an accounts department in a retail style operation is essential.

Salary negotiable from fifteen thousand pounds p.a., car, comprehensive benefits.

Please send brief details – in confidence – to W. A. Griffith ref. B.40353.

This appointment is open to men and women.

MSL United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Appointment of Director of Finance

The Water Authority, which is the second largest in England and Wales, invites applications from suitably qualified men and women for the appointment of Director of Finance.

The Authority's responsibilities include water conservation and supply, sewerage and sewage treatment, water pollution control river management, land drainage, water recreation and fisheries within the catchments of the Rivers Severn and Trent. It provides essential services to a population of some 8½ million people living in a region of 8,500 square miles and to the industries which support them. It employs more than 11,000 people in an organisation comprising a headquarters and eight multi-purpose operating divisions. It has an annual budget of £226 million (revenue) and £95 million (capital).

The Director of Finance is the Authority's principal adviser on financial and economic matters as well as its responsible financial officer operating within statutory requirements and the Authority's rules and delegations and financial regulations.

The person appointed will be required to take a full part in the corporate management of the Authority under the leadership of the Chief Executive and in conjunction with the Directors of Administration, Operations and Scientific Services.

Applicants should have relevant qualifications, including membership of appropriate professional bodies together with extensive experience in fields and at levels in keeping with the status and demands of the post. They should show a proven record of achievement both professionally and in management in a large-scale organisation.

The salary and conditions of service will be commensurate *with the responsibilities of the post. The successful applicant* will be appointed on the basis of a term contract.

Application forms for return by 18th April are available with further details from:
The Chairman's Office,
Severn Trent Water Authority,
Abelson House, 2297 Coventry Road,
Sheldon,
Birmingham B26 3PU.
Tel: 021-743 4222
ext. 76 or 77.

SEVERN TRENT WATER

Commercial Director

Sussex

We are a large, well-established company operating internationally in the process plant contracting industry.

The successful expansion of the company's activities has given us the opportunity to restructure our organisation which has in turn created the need for the new position of Commercial Director. The Director appointed will assume corporate responsibility for all commercial areas including legal, commercial, estimating, financial and computer services.

In order to contribute effectively applicants will need to have been in a senior position, either at or near board level, in a similar type of company.

The terms and conditions of employment are first-class.

Please write with full curriculum vitae to A. M. Bamford, Director, Woodall-Duckham Limited, Woodall-Duckham House, The Boulevard, Crawley, West Sussex RH10 1UX. Tel: Crawley (0293) 28755.

WD Woodall-Duckham
A member of Babcock Contractors Limited.

Export Sales-Europe

Automotive OEM Market

The appointed candidate will be responsible for the export sales development of a new product which is acknowledged as a potential market leader. The company, part of a major UK group, is already a leading manufacturer in the field, and is implementing a substantial investment programme in the product and associated manufacturing facilities.

Responsibility will be for sales to automotive manufacturers, initially in Europe, but later in overseas countries. The work will involve a continuing personal contact with manufacturers.

Probably in their 30's, candidates must have a successful export sales record in OEM markets, preferably in the automotive industry. The ability to conduct business in German and/or French, and to negotiate at a senior level are of key importance.

Salary for discussion; car; re-location help to West Midlands.

Please write with full details – in confidence – to G. E. Howard ref. B.29464.

This appointment is open to men and women.

MSL United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
Union Chambers 63 Temple Row Birmingham B2 5NS

Financial Director Designate

up to £10,000 + car

This is an excellent opportunity to join a privately owned company who are merchandisers of agricultural chemicals. They have an excellent growth record and are committed to a programme of continued expansion. Operating from an attractive rural part of Kent they now seek to consolidate their management team by appointing a Director Designate.

Reporting to the Chairman/M.D. you will take full responsibility for all accounting functions, the production of monthly management information, close monitoring of company profitability and assist in the formation of future policy.

You will probably be aged around 30, possess an accounting qualification and have previous man management experience. You must be a good accountant with the vision to look ahead and the potential to grow with the company.

The company offers a negotiable salary, company car, an excellent benefits package and relocation expenses where necessary.

Telephone Chris Willis
Maidstone (0622) 677612
Answering service out of hours
(01) 235 6938

Applications are welcome from both men and women

PER Professional & Executive Recruitment

Young Chartered Accountant

INTERNATIONAL MERCHANT BANKING

City — **£8000-£8750 + car + benefits.**

Our client is the international merchant banking arm of a leading overseas bank, itself part of one of the World's largest commercial and industrial groups, and is engaged in the international capital and Eurocurrency markets.

The need has now arisen for a young chartered accountant to play a major part in strengthening the accounting and administration function, including the development of computer based systems. Reporting to the Controller, the successful candidate will have the opportunity to supervise a small staff.

Candidates will be recently qualified accountants (24-28), preferably graduates, with up to two years post-qualification experience in a major practice. The qualities of intelligence, creativity and commitment are essential to succeed in an environment that is both exciting and a technical challenge.

For further information and a personal history form, please contact Kevin Byrne B.A. or Nigel V. Smith A.C.A., quoting reference 2404

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel. 031-225 7744

DLA

U.S. INVESTMENT BANK

A leading American institutional investment banker/stock broker is reviewing applications for the position of an institutional salesperson specialising in equities. The territory would encompass France with responsibility for directing this major U.S. firm's efforts there. The candidate would be located in London and frequent trips to France would be required.

The successful candidate must speak French and have experience in North American equity markets.

Compensation and benefits completely open for the right person. Please write in strictest confidence, enclosing career details to Box A6677, Financial Times, 10 Cannon Street, EC4P 4BY.

Financial Controller

Up to £12,500 — **North Hampshire**

A leading manufacturing company employing advanced technology, requires a Controller for their electronics division – part of an international group.

Duties will encompass the full range of financial functions together with control of D.P. operations. As a key member of the management team, you will report to the Chief Executive and will be fully involved in policy decisions.

You will be a qualified accountant aged 28-33 with line management experience in a manufacturing environment involving considerable exposure to sophisticated computer systems. Essential personal qualities include the ability to command respect, the skill to control a staff of forty and to delegate effectively. You will be diplomatic but decisive and have the talent and ambition to achieve further promotion.

Candidates, male or female who match our clients requirements, should apply in confidence to Bernard L. Taylor quoting ref. 6351 to Mervyn Hughes Group, 2/3 Cursitor Street, London EC4A 1NE. Tel: 01-404 5801.

Mervyn Hughes Group
Management Recruitment Consultants

FRUSTRATED EXECUTIVE- take control!

The right doors to opportunity aren't opening, perhaps; you never seem to be in the right place at the right time: you feel that you're stagnating.

If you take a look at today's really successful people, you will find that they all have a vital asset in common. They know about themselves — their strengths, weaknesses, personality, capabilities, typical reactions and so on.

Until you have that kind of information, you are not really equipped to take control of your career — it is rather like driving in fog.

The kind of advice that you need is available from highly-qualified people at Royston Ridgeway — not an employment agency, but an organisation that helps executives know themselves well enough to achieve their own unique kinds of job satisfaction. Call Donald Ham on 01-734 0752 who will tell you more.

Royston Ridgeway career managing people

Kent House, 87 Regent Street, London W.1.

ASSISTANT TO GENERAL MANAGER

Ambitious person with knowledge of food sales and distribution required for small developing company in London. Salary £5,000/£5,500 but prospects in next 3/4 years for right person could be considerable. Own staff advised. All replies in strictest confidence to Box A6675, Financial Times, 10, Cannon Street, EC4P 4BY.

TEA MARKET EXECUTIVE

Wilson Smithett and Co. require a tea executive fully qualified in the commodity capable of working as part of a small team. The job entails considerable and increasing responsibility. Experience of and previous residence in overseas markets preferred. Knowledge of shipping and foreign exchange useful.

Applicants should be under 40 and should apply in writing to the senior partner providing full curriculum vitae. All applications will be treated in strict confidence.

WILSON SMITHETT & CO.
SIR JOHN LYON HOUSE, 5, HIGH TIMBER STREET
LONDON EC4V 3LS.

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Experienced Money Brokers	£ neg.
2 ACA's	c. £7,500
Assistant Accountant	to £6,500
Graduate (Clearing Bank exp.)	c. £4,500

We should also like to hear from FX Admin, Loans Admin, Secretarial and Clearing Bankers wishing to develop their carers.

Please contact:—
MIKE POPE
236 0731
30 Queen Street EC4

هكذا من الأصل

Accounting Systems Manager

South Lancs, **Package totally negotiable into 5 figures**

This key role is within one of the largest operating groups of a major international company. Current accounting routines have been in operation for a number of years and the prime objectives of the appointment are to bring the management information systems and internal control procedures into the 1980's. Relevant experience is likely to have been achieved within an internal or external consultancy role or through a broad range of industrial positions with specific emphasis on manufacturing systems. Candidates, ideally aged 30 - 40, will be qualified accountants, capable of organising and managing a variety of accounting based projects. As part of a company with world-wide interests, future opportunities are considered excellent.

G. Sable, Ref: 29208/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
MANCHESTER: 061-236 8981, *Sun Life House, 3 Charlotte Street, M1 4HB.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

New Product Development

Circa £8500 p.a.

Reuters is a world leader in providing advanced computerised news and information services to the media and business community. The Product Planning Department is responsible for the identification and analysis of new international opportunities and for the management of projects to develop products for entire markets and small groups of clients.

We wish to recruit an executive to join this team. The successful candidate is expected to have had at least two years' experience in two of the following areas:

Product Planning/New Product Development
Custom systems development
Brokerage or Investment Banking
Data Communication Systems

Applicants should be in the age group 25-30 and educated to degree standard. They should be numerate, have a working knowledge of a European language and must be prepared to travel. We are looking for a person with initiative and innovation which, if proven, will be reflected in promotion to a managerial level.

Please telephone 01-353 7329 (24-hour answering service) for an application form, or write to:-

Recruitment Manager
REUTERS
85 Fleet Street.
London, EC4P 4AJ

This position is open to men and women.

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FINANCE DIRECTOR (DESIGNATE)

S.W. London **Circa. £9,000 plus car**

A subsidiary of a large European Group, our client is involved in the marketing and distribution of food products.

Due to continued expansion they wish to appoint a Financial Director Designate, who will assume responsibility for the company's accounting and administration functions. The successful candidate will be expected to make a significant contribution to the general management and development of the company's activities.

Candidates, M/F, will be qualified accountants, probably 27-32, with the personality and presence to contribute significantly in an expanding marketing orientated company.

For further information and a personal history form please contact Neville Mills, A.C.I.S., or Howard Amos, B.A. quoting reference 2403.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel. 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

EUROBONDS £8,000 +

Two positions have arisen due to the increasing importance of this department within a major U.S. Bank.

Salary is totally negotiable for senior experienced people and an extremely advantageous benefits package is offered with these positions.

Please ring Roy Stockton
M & J Personnel Consultants
01-839 1832

FINANCIAL CONTROLLER

TO A

LARGE FIRM OF CITY SOLICITORS

This vacancy is open to qualified (probably Chartered) Accountants preferably with a background of accounting within the legal profession. Reporting to the Executive Partners, the Financial Controller will be directly responsible for managing the accounting functions of the firm and will also be expected to advise on and participate in the financial management of the firm. Candidates are unlikely to be earning currently less than £7,500 and remuneration will be made attractive to the right person.

Applications to Box A6681, Financial Times
10 Cannon Street, EC4P 4BY

EDP MANAGER

£20,000 + tax free substantial benefits

SAUDI ARABIA

This is a top level appointment in one of the largest Saudi Arabian companies. The EDP Manager will take full responsibility for the Company's systems and programming resources, and for the operation of the Group's computer centre. *He will play the major role in achieving the objective of a fully integrated computerised accounting and management information system.*

Applicants should be university graduates or qualified accountants. Substantial *experience in EDP management and a record of successfully installed major* accounting and inventory systems are essential. Applicants should have had experience of medium scale commercial IBM or Univac installations.

The post demands a mature, well balanced individual able to communicate clearly and persuasively in writing and orally to all levels of management. He must be creative, a good organiser and possess the drive to fulfil tight targets. He must have the flexibility to adapt to life in Saudi Arabia. Fluency in English is essential. Knowledge of Arabic and the Middle East would be an added advantage.

A tax free remuneration package of at least £20,000 is offered. Additional benefits include free furnished, housing and utilities, medical and life assurance and a car allowance

Please write or telephone for an application form to the consultants advising on this appointment, quoting ref. 965/FT to:

W. L. Tait,
Touche Ross & Co., Management Consultants,
4 London Wall Buildings, London, EC2M 5UJ.
Tel: 01-588 6644

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We have openings in Vienna for highly qualified individuals with a broad knowledge in the Energy and Oil Industry. For those with a progressive attitude towards their profession, a challenging and rewarding opportunity awaits them.

HEAD OF COMPUTER SECTION

Education: University Degree in Science or Engineering relevant to computer applications such as Computer Science, Operations Research, etc.
Age: 32-45.
Basic monthly starting salary: Austrian Schillings 46,000.—.
Experience: A minimum of seven years' professional experience in the field of data processing and computer applications including first hand experience in the management of large technical computer installations. Detailed knowledge of various internationally well-known hardware and software is essential.

HEAD OF ENERGY FORECASTING SECTION

Education: University Degree in Economics with Mathematics or Statistics.
Age: 32-45.
Basic monthly starting salary: Austrian Schillings 46,000.—.
Experience: A minimum of seven years' professional experience in the field of petroleum economics. Good knowledge of quantitative techniques and forecasting methods is essential. Experience in the application of computers to problems in economics or operational research is preferred.

HEAD OF CRUDE & PRODUCT EVALUATION SECTION

Education: University Degree in Chemical Engineering or Chemistry.
Age: 32-45.
Basic monthly starting salary: Austrian Schillings 46,000.—.
Experience: A minimum of seven years' professional experience in refining operations including cost evaluation in crude processing in the various refining modes. Management of a refinery operation as well as the use of computers for technical work is preferred.

HEAD OF PERSONNEL UNIT

Education: University Degree in Business or Public Administration.
Age: 32-45.
Basic monthly starting salary: Austrian Schillings 43,000.—.
Experience: A minimum of seven years' experience in Personnel, Planning, Development, Administration and Training.

HEAD OF PUBLIC RELATIONS PLANNING UNIT

Education: University Degree in Public Relations, Media Studies, Information Science or other relevant fields.
Age: 32-45.
Basic monthly starting salary: Austrian Schillings 43,000.—.
Experience: A minimum of seven years in Public Relations or other related fields, e.g. publicity, information, commercial journalism, etc. Proven creative flair and a capacity quickly to recognise and utilise opportunities for PR activity necessary. Ability to lead and motivate others essential.

HEAD OF INTERNATIONAL MONEY & FINANCE UNIT

Education: University Degree in Economics with some academic background in money and finance.
Age: 32-45.
Basic monthly starting salary: Austrian Schillings 43,000.—.
Experience: A minimum of seven years' experience, a proportion of which should be experience with central banks, investment houses or research institutions. Experience should involve research related to international monetary and financial problems.

ECONOMETRICIAN

(Crude & Product Evaluation Section)

Education: University Degree in Econometrics or Economics with Mathematical background, preferably with a diploma in Computer Science.
Age: 30-45.
Basic monthly starting salary: Austrian Schillings 38,000.—.
Experience: A minimum of six years' professional experience in the field of econometrics or mathematical programming, which should include experience in the application of computers to problems in economics or operational research.

QUANTITATIVE ECONOMIST

(Energy Forecasting Section)

Education: University Degree in Econometrics or Economics with Mathematics or Statistics or Operational Research.
Age: 30-45.
Basic monthly starting salary: Austrian Schillings 38,000.—.
Experience: A minimum of six years' varied experience in the field of econometric model building or the application of mathematical programming economics.

ECONOMETRICIAN

(Energy Forecasting Section)

Education: University Degree in Econometrics or Operational Research.
Age: 30-45.
Basic monthly starting salary: Austrian Schillings 38,000.—.
Experience: A minimum of six years' varied professional experience in the field of econometric model building or the application of mathematical programming economics.

ECONOMIC ANALYSTS

(International Economics Unit)

Education: University Degree in Economics with special emphasis on one of the following: Econometrics, Quantitative Methods, International Trade and Development.
Age: 30-45.
Basic monthly starting salary: Austrian Schillings 38,000.—.
Experience: A minimum of six years' experience, of which three years should have been spent in economic development planning, economic forecasting or economic policy analysis.

SYSTEMS ANALYST

(Computer Section)

Education: University Degree in Science or Engineering directly related to Computer Application, such as Mathematics, Computer Science, Operations Research, etc.
Age: 26-35.
Basic monthly starting salary: Austrian Schillings 33,000.—.
Experience: A minimum of four years' professional experience as a systems analyst in computer application, preferably including large scale scientific planning applications. Familiarity with current major programming languages and detailed knowledge of various internationally well-known hardware essential.

Fluent command of written and spoken English is required of all applicants. The salaries are tax-free; we also provide free medical insurance, as well as family allowance, education grant, Provident Fund and six weeks of annual leave; paid home leave every two years and removal expenses. The selected persons will also enjoy diplomatic status for the duration of their employment.

Applicants are requested to send their detailed curriculum vitae including job history and salary progression as well as a recent photograph to:

OPEC Personnel & Administration Department, Obere Donaustrasse 93, 1020 Vienna, Austria

International Investment Banking

Bank of America's London-based Merchant Banking subsidiary has developed a highly respected Investment Banking Department, providing a service in the field of international bond issues and private placements to Bank of America's customers world-wide. Through its integrated origination, distribution and trading presence, this Group has managed and co-managed 36 issues with a nominal value of over $1.3 billion, denominated in a variety of currencies, over the last 2 years.

This experienced team needs 2 more professionals to contribute to the business development plans now in hand. The successful candidates will assume extensive responsibility for the technical aspects of bond issues, as well as a growing responsibility for marketing. The positions provide excellent opportunities for those who already have at least 3 years' comprehensive experience in bond issue preparation and transaction, and who want to step into a role with greater scope where skill and initiative are readily recognised and rewarded. In addition to the above experience, a legal background and languages are advantageous, a graduate qualification is essential and applicants must demonstrate some aptitude for marketing.

Both Eurobond specialists can expect to be involved in a wide geographic variety of Eurobond business. However, there will be greater emphasis in one position on **Europe** and **North America** and in the other on **Central** and **South America.** For the latter, Spanish is essential and Portuguese would be useful.

Salary will reflect the importance of these key appointments and total remuneration, including fringe benefits, are in line with the best banking practice. Suitably qualified men and women for both positions should apply in writing giving full career details which will be treated in strictest confidence, to
Miss Helena Molyneux, Personnel Manager,

BANK OF AMERICA INTERNATIONAL LTD.
St. Helen's, 1 Undershaft, London EC3A 8HN.

C&L

Middle East — **Up to U.S. $60,000**

SENIOR FINANCIAL APPOINTMENTS

Our client is a large Middle Eastern government agency with an annual capital and operating budget of U.S. $2 billion. The following appointments are to be made to strengthen financial control and improve management information systems:—

Senior Planning and Budgeting Executive — c $60,000
to be responsible for financial planning, budgeting, management information and advice on financial policy on a national scale. Ref. RF557/1

Chief Internal Auditor — c $45,000
responsible to the President for the creation and development of an effective internal audit service. Ref. RF557/2

Systems Development Executive — c $45,000
responsible for the development of financial and management information systems and the progressive computerisation of financial work. Ref. RF557/3

Special Projects Executive — c $45,000
a financial analyst to carry out studies of tariffs, new investment, operating methods and other non-routine assignments. Ref. RF557/4

Planning and Budgeting Executives — Ref. RF557/5 — c $45,000

Management Accountants — Ref. RF557/6 — c $30,000

Financial Accountants — Ref. RF557/7 — c $30,000

These are senior appointments in a large organisation. Applications are invited from professionals with recognised accounting/business qualifications and experience of sophisticated financial management, preferably employing computerised systems. Fluency in Arabic and English essential.

Contracts will be for a minimum of two years and benefits include furnished accommodation, car and assisted travel. Comprehensive C.V.'s in English, which will be treated in confidence, should be sent to E. J. Robins, Executive Selection Division, quoting the appropriate reference, at the address below.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

ENERGETIC, BRIGHT YOUNG AND AMBITIOUS PERSON

to join a small company engaged in processing plastic waste film for use in packaging field. Directorship opportunities for right applicant.

Write in complete confidence Box A.6680, Financial Times, 10 Cannon Street, EC4P 4BY.

Unique requirement for a Finance Director

This is an exceptional oportunity for an able and practical Chartered Accountant to help the Managing Director develop a fast growing group of companies at home and overseas.

The position will involve:—

- Financial control of the companies in the Group;
- Organising the companies as necessary to satisfy the highest accounting and *management controls;*
- The assessment of companies for possible acquisition;
- Assisting the management teams in the onward development of the companies.

The successful candidate will be:—

- Ideally aged between, 33 and 40 years old;
- A Chartered Accountant, preferably with a good University degree;
- Will have had some years of sound experience in industry, preferably in the engineering or electronics fields. Experience in working abroad and with acquisitions would be useful.

He or She must have —

- The ability to organise all types of control systems and to contribute to Management generally;
- Considerable potential for personal development;

An attractive remuneration package will be offered to the right candidate including removal expenses where necessary.

Write giving full salary and career details to Position No. BPF 332 Austin Knight Limited, 35 Peter Street, Manchester M2 5GD.

Applications are forwarded to the client concerned. Therefore, companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

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We are looking for a solicitor with not less than two years' good post-qualification experience, who is capable of working with minimal supervision on a wide variety of Company commercial matters, many of them with an international bias.

Ideally, we would prefer a solicitor who has a business oriented outlook for this interesting and rewarding position. Send your c.v. to:

**The Partnership Secretary,
McKenna & Co.,
Inveresk House,
1, Aldwych,
WC2R 0HF.
Telephone: 01-836 2442**

Assistant Company Secretary

YORK

...to be responsible for share registration; for providing a corporate secretarial service to our U.K. subsidiaries and for running our recently established employee share-option scheme.

The work calls for a sound knowledge of company law, exchange control regulations, Stock Exchange practice and computerised share registration and transfer systems.

We seek a man or woman graduate, preferably in law, or with A.C.I.S. qualifications, with wide experience of company secretarial practice, ideally in a public company. Those under 35 are unlikely to have had enough experience.

This is a senior post: salary and conditions will match the importance placed on it; it is at our headquarters in York – a city whose attractions include good schools, reasonably priced houses, and easy access to other major cities, coast and countryside.

Please apply (quoting ref. B.635) to Miss E. A. Ellison, Staff Office, Rowntree Mackintosh Ltd., York YO1 1XY.

Rowntree Mackintosh

GROUP TAX MANAGER

LONDON

Foseco Minsep is a U.K. based multinational group of companies supplying speciality products principally to metallurgical and construction industries. The Group has subsidiary and associate companies in 28 countries.
We are seeking a Group Tax Manager to join the small central finance team based at our London head office. This vacancy, which has arisen through an internal promotion, offers an excellent career opportunity for a creative tax specialist to co-ordinate the tax management of the Group throughout the world.
The successful candidate is likely to be a qualified chartered accountant with a minimum of two years specialist international tax experience in a multinational group or large professional firm. He or she will report to the Group Treasurer and will liaise directly with operating management throughout the world.
The salary will reflect the importance attached to this post, and other benefits and conditions of employment are in keeping with a major company.

Would applicants initially please write; or 'phone for an application form to :-

Mr. R.A. Evans, Group Management Development Director, Foseco Minsep Limited, 36 Queen Anne's Gate, London SW1H 9AR. Tel. 01 839 7030.

FOSECO MINSEP LIMITED

"Just where do you think you're going to find a job as an accountant for between £6,000 and £9,000 a year?"

"Through the Financial Times Appointments Pages, of course. Every Tuesday, from March 6."

Every Tuesday, from March 6, the Financial Times will carry a special column for Accountancy Appointments in the £6,000 to £9,000 p.a. bracket.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Financial Controller

Consumer Products

£10,000 + car

One of the world's best known manufacturers of audio and video equipment has formed a United Kingdom company to distribute its products. The appointment of a Financial Controller is a key one and will complete the management team.

Responsibility will be to the Managing Director for the financial health of the company. The turnover of the existing distributorship is significant but it will be well exceeded once budgeted plans are implemented.

The employee specification is tightly drawn and calls for a qualified accountant, probably chartered, with industrial experience who in his – or her – management accounting role must be capable of enlarging upon mere figures.

Management are all in their thirties. Ultimate location to the west of London. Salary £10,000; car provided; board prospects.

Please write in confidence for an application form and a job description to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3744.

Price Waterhouse Associates

Treasurer/Finance Executive

Amsterdam — £15-£20,000

N.V. Indivers, a small multinational, high technology company seeks a Treasurer/Finance Executive for its Head Office in Amsterdam.

Indivers operates thirteen companies in seven countries (Europe, North America and Singapore). Primary emphasis is on turbine and tooling related work for the engineering industry.

The appointee to this new position will be one of a small head office team and will report directly to the President.

Candidates are likely to be in the 30–40 age range with a strong financial background (C.A. or M.B.A.). A minimum of four years experience in a multinational environment is required. Candidates should be familiar with international and U.S. accounting standards, and have experience in such areas as umbrella credits, venture capital financing, export credit insurance, and banking relationships generally.

The position is an exciting one in a fast growing *but small (sales U.S. $25 million)* company. Location is the centre of Amsterdam and the position requires frequent travel. Language English but familiarity with other European languages, particularly German, would be an advantage.

Remuneration will be in the £15-£20,000 range plus other benefits.

Please write, quoting reference FT/EXI/T, giving full details of education, qualifications and experience to:

**Michael Berger F.C.A.,
Executive Resources International (U.K. office),
87 Jermyn Street, London SW1Y 6JD.**
All applications will be acknowledged.

Put your E.C.G.D. knowledge to work as an Assistant Finance Manager

Our client, a progressive UK Clearing Bank, is expanding at an unusually fast rate. They have developed a full range of services which have produced exciting results in terms of growth and they currently require a man or woman in the mid 30's with a wide knowledge of Export Credit Guarantee Department facilities.

You should have experience of:-
Buyer and lines of credit.
Supplier Credit short and medium term.
Bank Guarantees.
Confirming House Procedures.

The realistic starting salary will be commensurate with experience and all the normal banking benefits apply.

If you are interested in the security and prospects a career in banking could offer you please write in strictest confidence, with details quoting reference no. MDK/146 to Mr. Brian Duveen, Moxon, Dolphin and Kerby Limited, 60 St. Martins Lane, London WC2N 4JB.

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MANAGEMENT SELECTION

ASSISTANT TO CHIEF ACCOUNTANT
(fully or part qualified)
For EC2 Brokers — Salary £4,000-£6,000

ASSISTANT FOR MERCHANT BANK
Overseas Division
Fluent French or Spanish, plus one years banking experience. Salary £4,000-£5,000

CREDIT CONTROLLER
For City Bullion Dealers, must be experienced, aged 30+ Salary £5,000

LJC BANKING APPOINTMENTS
283 9958/9

MALE/FEMALE CLERK

Age 20-30

with at least 2 years' investment research experience, to work for a very reputable company of City stockbrokers.

Salary £5,000-£6,000 + bonus.
Please contact Mrs. P. Dudley
Evans Employment Agency Ltd.
15 Copthall Avenue, London
Tel: 01-628 09

ACCOUNT MANAGER-EUROPE

Age: 25-30

Remuneration Package: **£8-10,000**

The Job: We need a linguist to help develop our Sales Promotion operation in Continental Europe, which currently provides over half our promotion income.
We develop sales promotion programmes for major food companies in Europe and the UK. We are busy and growing and need good people.
The Account Manager will be based in London spending up to two weeks a month in Europe developing large scale operations with existing clients and presenting to new ones.
The Person: Education to graduate level. Fluency in at least two foreign languages. Ideally some experience in marketing or advertising.

SALES DEVELOPMENT MANAGER

Age: 27+

Remuneration Package: **£10-12,000**

The Job: All IPM's own consumer marketing projects are handled for us by distributors. The job is to control those distributors and improve their selling effectiveness.
Responsibilities will include major account development, tailor-made promotions and liaison with distributors' sales forces. Product areas span several exciting markets and distributive channels.
The Person: A sales professional with big company experience of major account negotiation and field management in the Grocery or CTN fields.

MARKETING MANAGER

Age: 27+

Remuneration Package: **£12,000**

The Job: A top-class Marketing Manager is required to take command of IPM's own brands in an exciting consumer market. Plans are to introduce several new products and to achieve an ambitious sales target.
This is therefore an opportunity to get in at the beginning of a classic marketing success story and to have major impact on positioning, advertising and promotion.
The job entails a strong measure of strategic planning as well as entrepreneurial initiative in pursuing profit.
The Person: The ideal candidate will be a graduate with appropriate classic marketing training from one of a handful of companies. Experience must include at least two years full responsibility for a brand in Grocery or CTN distribution.

MARKETING EXECUTIVES

Age: Early 20's

Remuneration Package: **£6-8,000**

The Job: We have opportunities for younger executives to work in the marketing and operation control functions on our own consumer projects.
Currently IPM is involved in marketing its own brands in several consumer markets—and there are more to come.
The job entails the full spectrum of responsibilities from assistant brand management to production planning.
The Person: Recent graduates with some practical business experience, preferably in a marketing, sales or planning role.

We started this business more than five years ago as a Unilever-owned company. In that time we have used our professional marketing skills in a variety of tough and rewarding markets to build what is probably the most exciting small business in the country.
Our turnover comes in part from marketing consultancy/sales promotion projects (for the bluest-chip list you've ever seen—including our Alma Mater). More important, it also comes from marketing projects which involve our own brands in consumer markets. So you could describe us as a marketing consultancy which also puts its own money where its mouth is—or a marketing company with an in-house high-powered consultancy team. Either way it is an unusual and stimulating environment. About two years ago we bought financial independence from Unilever—which makes it doubly rewarding.
If your experience includes the skills we seek and you yearn for the sort of stimulating environment we describe, write us a short letter enclosing your CV. Applications are welcome from both men and women, quoting reference FT1, and should be addressed to Ken Yarmon, Managing Director.

Independent Project Marketing Limited
90-91 Tottenham Court Road, London W1P 9HE
Telephone: 01-580 7431. Telex 28992

YOUNG PERSONAL TAX CONSULTANT

£6,000

Well-educated with previous personal tax experience. This well-known firm of International Accountants wish to appoint a young person with the drive and enthusiasm to cope as a consultant with VIP clients.

Contact Mr. M. Masterson

Prime Personnel Consultants

01-405 8824

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CITY **£5,500-£7,500**

MAJOR INTERNATIONAL TRADING GROUP

Applications are invited from candidates, aged 25-50, who have a minimum of three years' experience in Pensions Administration work. The successful applicant will report to the Pensions Manager and be responsible for all the administrative work for the U.K. Pension Fund with upwards of 400 members, and will also assist in the administration of further funds relating to overseas employees. *The position is also responsible for dealing with the affairs of c. 400 pensions based U.K. and overseas.* Essential qualities include an organised and tidy mind and the ability to liaise effectively at all levels. Initial salary negotiable £5,500-£7,500, generous holidays, interest free Season Ticket loan, contributory Pension Fund, free Permanent Health Insurance, free Life Assurance and a subsidised mortgage after two years' service. Applications in strict confidence under reference PA211/FT to the Managing Director:

ADMINISTRATIVE AND CLERICAL PERSONNEL LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH
Telephone 01-588 3588 or 01-588 3576 Telex: 887374 Recruitment Consultants

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Company Auditor

Milan-based

An international company with a very satisfactory profit record and a turnover in excess of $150 million distributes and services a wide range of machinery throughout much of Africa. The list includes cars, lorries, tractors, earth moving equipment and construction plant all from very well-known manufacturers. An auditor is required to join the Organisation and Control Department in Milan. He will be responsible for conducting audits and investigations in the overseas subsidiaries and can therefore expect to be abroad for about half of his time. Candidates aged 24-30 should be Chartered Accountants, ideally with one or two years' industrial experience. A knowledge of French or Italian would be useful. The appointment is more suitable for a bachelor. Salary is up to £10,000 plus free accommodation. *Generous allowances whilst overseas* will permit the accumulation of substantial savings. This is a career appointment with the prospect of advancement into line management in Northern Europe possible.

Ref: R2319/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

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THE BRITISH COUNCIL

Appointment of

Director-General

The Board of the British Council invites applications for the post of Director-General, which falls vacant on 1 May 1980. The Director-General is the chief executive of the Council. The post is open to serving staff and outside applicants, men or women.

The Council's objects, as defined in its Royal Charter, are to promote abroad a wider knowledge of Britain and of the English language and to develop closer cultural relations between Britain and other countries. In developing countries most of the work is in the form of educational aid. The Council is represented in 83 countries overseas and has a staff of 4,300. The annual budget, including educational aid programmes administered on behalf of the Ministry of Overseas Development and others, exceeds £100 million.

Applicants should have substantial administrative experience, the ability to establish relations of mutual confidence with the Government departments, organisations and individuals with whom the Council works, both at home and overseas, and a wide knowledge of British culture. The post involves extensive travel.

The appointment will be for an initial period of 5 years. The normal retirement age for senior Council staff is 60. The salary of the post will be £23,500 a year. The appointment is pensionable.

The closing date for applications is 30 April 1979. For further details and an application form, please write to the Secretary, The British Council, 10 Spring Gardens, London SW1A 2BN, marking the envelope 'DG'.

Assistant Manager

Investment Management

c.£15,000 plus excellent fringe benefits

Our client, a major British International Bank, is looking for an Assistant Manager to join their investment management department in the City.

Reporting to the department Manager, the successful candidate will join a small established team which provides an investment advisory service to the Bank. Responsibilities will include researching and giving advice on investments, mainly in foreign securities, fixed-interest, in particular eurobonds, and currencies, as well as making recommendations to the Bank's Portfolio Managers and advising on the Bank's various mutual funds. He or she will deputise fully in the absence of the Manager.

Possession of an appropriate professional qualification together with fluency in at least one other European language would be an advantage. It is unlikely that applicants with less than ten years experience in international investment management will meet the required standard. An ability to deal with people at all levels and of different nationalities is essential.

Salary is negotiable around £15,000 and a first class comprehensive range of fringe benefits is provided.

Please write giving full details of experience and qualifications to:
Bull Holmes Bartlett, Ltd., 45 Albemarle St., London W1X 3FE
quoting reference 42 on your letter and envelope. Please list separately any companies to whom you would not wish your application to be forwarded.

Bull Holmes Bartlett

Manager

Audit and Investigations

London c £11,000

British Gas Headquarters has a gross cash flow of £2,500m. per annum and 4,600 employees. This vacancy is a key post in the Financial Division at Holborn, reporting to the Controller of Audit and Investigations for matters concerning all Headquarters' locations.
This post provides a real opportunity to make an important contribution to management of the Industry. *Internal Audit in British Gas is well organised with considerable emphasis being* placed on both DP Audit and capital contracts.
Candidates must be able to demonstrate an outstanding degree of both audit and management ability. The job will entail some travelling to all parts of Great Britain.
Salary will be around £11,000 pa, including Inner London Weighting, plus current self-financing productivity payment. A car will be provided.
Applications, from men and women, accompanied by a full career history and quoting reference number F/026101/FT should be made before 12th March 1979 to:- Personnel Controller (HQ), British Gas Corporation, 59 Bryanston Street, Marble Arch, London W1A 2AZ.

BRITISH GAS

Managing Director

Electronic Components c.£12,000 pa+car

Our client is a profitable UK company manufacturing precision components for the electronics industry and a leader in its field. The intention is to appoint a chief executive to plan and achieve substantial growth in sales of existing and new products. Current year sales are budgeted at £1.5 million.

The requirement is for a seasoned generalist to direct the company through a period of rapid change. Particular emphasis needs to be placed on assessing the strengths and weaknesses of the company and then implementing programmes in each functional area. Substantial capital resources are available.

Candidates, male or female and 35 to 45, will have the capability and experience to direct the total operation of a company. Exposure to high quality component manufacture in electrical/electronic engineering is important. Financial skills, entrepreneurial vision and graduate intellect are presupposed.

Salary is for discussion and there will be a bonus based on profits. *Location:* a very attractive part of South London, to which relocation expenses will be paid if required. The company is part of a small but very successful group which is renowned for giving maximum support to its operating companies but with minimum interference. To apply, send a curriculum vitae or phone for an Application Form, quoting reference MDP.

Cambridge Recruitment Consultants

1a Rose Crescent, Cambridge CB2 3LL. Telephone (0223) 311316

FIXED INTEREST SPECIALIST

MELBOURNE
AUSTRALIA

ORD MINNETT, leading Australian Investment Bankers, require an additional Fixed Interest Dealer for their Melbourne Office.

The person we are seeking must have a proven dealing record, a thorough understanding of all types of Fixed Interest securities and the capacity to generate ideas and respond to new conditions.

Additional experience in currency dealing or commodity trading would be advantageous.

A generous salary and other benefits will be negotiated.

Applications in confidence to:

T. D. E. Hyde, Esq.
Ord Minnett,
One College Hill,
LONDON. EC4R 2RA
Business — 01-626 7031
Private — 01-460 0537

Chief Accountant

Overseas travel from a UK base

Cape Contracts International Limited is a large international British-based company with extensive sub-contracting interests throughout the world.
Reporting to the Financial Director, you will be based at our Watford HQ. A qualified ACA or ACMA aged 25-35, you will assume overall responsibility for Head Office computerised accounts and direct responsibility for overseas operations' accounts.
Frequent overseas travel will be involved, foreign languages are therefore desirable, especially French.
An attractive salary and company car will be provided together with the usual fringe benefits associated with a major group of companies and relocation assistance where necessary.
Applications in writing to the Personnel Manager,
Cape Contracts International Limited,
Cape House, Exchange Road,
Watford WD1 7EQ.

MANUFACTURERS HANOVER LIMITED

INVESTMENT MANAGEMENT

Manufacturers Hanover Limited is looking for an additional Investment Manager. Candidates will be expected to make a strong contribution to the formation of investment policy and to take responsibility for managing discretionary multi-currency funds.

Qualifications should include a Degree and/or relevant professional qualification coupled with knowledge of the international money and capital markets and experience of managing fixed interest accounts.

Remuneration, including attractive benefits, will be commensurate with experience.

Handwritten applications, including a curriculum vitae, should be sent to:

John E. W. Bamford,
Assistant General Manager,
Manufacturers Hanover Limited,
8 Princes Street,
London EC2P 2EN.

YOUNG—AMBITIOUS

A large International Investment Banking/Broking House, based in London, with an extensive network of overseas offices is seeking young ambitious, innovative, career-minded Operations Personnel. A willingness to re-location outside the United Kingdom at some time in the future will be a prerequisite of acceptance.

If you think you fall into this category, have at least 3 years' experience in Banking/Broking Operations, or hold a University degree in Business Studies or Management and would enjoy working as part of young, dynamic and dedicated team, we would like to meet you.

Salary will be commensurate with experience and potential. Please write in strict confidence giving full but concise details of age and career history to

Box A.6674 Financial Times,
10, Cannon Street, EC4P 4BY.

TAX/FINANCIAL ACCOUNTANT

£10,000

SOUTHERN COUNTIES

THE COMPANY — a leading financial institution situated in the South of England.

THE JOB — initially concentration on the tax affairs of the Group both home and overseas. This will involve advice to Management on tax matters and appropriate participation in general policy discussions. There are opportunities for progression to general financial and accounting management.

THE REQUIREMENT — A Chartered Accountant with a good University degree, followed by 4-5 years post qualification experience, a large part of which will have been in taxation. Sound financial experience will, however, be necessary. Age between 28 and 35.

THE REMUNERATION — c. £10,000. Assistance with housing and other benefits.

Application with curriculum vitae to

Box A.6664, Financial Times,

Bracken House, 10, Cannon Street, London EC4P 4BY

WANTED

SOLICITOR

presently Head Conveyancing Part[illegible] in large Scottish Legal Firm wishes [illegible] leave profession to join Prope[illegible] Development company. Age 43. Ext[illegible] sive experience in domestic commer[illegible] and development work (purchase, fu[illegible] ing, construction, letting, sale, e[illegible] Ideally would wish executive position [illegible] UK company developing or investing [illegible] Scotland requiring Scottish ba[illegible] director. Further information ple[illegible] write Box A.6679, Financial Times, [illegible] Cannon Street. EC4P 4BY.

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Arabic speaking Englishman, 37. [illegible] ties, wide experience Internatio[illegible] Industrial. Contract/Sales negotiatio[illegible] Immediately available. Perman[illegible] assignment UK Mid/Far East. Inte[illegible] gence and City background. Write [illegible] A.6676, Financial Times, 10, Cann[illegible] Street. EC4P 4BY.

MANAGING DIRECTOR (40s), [illegible] very profitable consumer finance [illegible] pany with 8-figure turnover, [illegible] change for personal reasons. [illegible] experience in retailing and con[illegible] finance. Capacity for work and [illegible] results. Write Box A.[illegible] Financial Times, 10 Cannon Street, EC4P 4[illegible]

Phillips & Drew

Private Client Manager

We have a vacancy for a senior man or woman in our Private Client and Trust Fund Department which is responsible for managing private and professional funds including charities and small pension funds. Increasing attention is being given to the development of offshore business.

Applicants should have considerable experience of successful fund management, the ability to service a wide range of clients and proven business getting talent. They will be partners or senior executives in their present firm who feel they can contribute to the expansion of a substantial business based on high quality research and service.

If you wish to apply telephone or write to J. K. Taylor, the partner in charge.

Phillips & Drew
Lee House, London Wall, London EC2Y 5AP
Telephone 01-628 4444

Group Accountant

Our client's large and diversified business is run with the maximum degree of devolution and the small headquarters financial team concentrates on the broader issues of Group policy. The opportunity arises to join this central team, to be personally responsible for reviewing the performance of one of the main operating divisions and to share in the overall tasks of Group financial planning and development.

Applications are invited from Chartered Accountants, probably in their mid to late twenties, and preferably with post-professional experience in industry or commerce with a strong management accounting emphasis. Applicants will be attracted to the possibility of moving, after a successful period at the centre, to a senior post in an operating division or unit.

Starting salary will be in the area of £8/£9000, with a Company car and excellent benefits. Central London location.

Please reply in strict confidence, to Peter Bingham & Partners, Personnel Consultants, 9 Curzon Street, London W1Y 2FL, giving full personal and career details. Applications from both male and female candidates are welcome.

Peter Bingham & Partners

Senior Management Accountant

City **c.£8,500**

The Financial Times group is growing rapidly in a number of commercial areas and needs to strengthen the management accounting function, to meet the demands on it, by making this new appointment.

Reporting to the group management accountant, the person appointed will be expected to become familiar with the work of the whole management accounting department, to handle special projects and ad hoc assignments and to assist with the supervision of this area of the company's accounting department.

This is an ideal opportunity for either a young person seeking two or three years' commercial experience or an older one looking for stable employment. Candidates must have a recognised accounting qualification – preferably C.A.

Please write for an application form, giving a brief c.v. and quoting reference 1821/A, to M. J. H. Coney,

Peat, Marwick, Mitchell & Co., Management Consultants, Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.

FUND MANAGER

Provincial Insurance Company Limited is a medium-sized composite company with a 1977 premium income of £65m and present funds under management of £150m. The Investment Department wishes to recruit a Fund Manager to join its small team in London. The successful applicant will be required to assume responsibility at an early stage for the Far Eastern portfolio which is mainly concentrated in Japan but also with some exposure to Australia, Hong Kong, Malaysia and Singapore.

Applicants should ideally hold a degree or professional qualification. Experience in managing a Japanese investment portfolio would be an advantage but the necessary training would be given to an exceptional candidate.

A good starting salary will be offered and fringe benefits include low-cost mortgage facilities.

Applications with curriculum vitae to the Investment Manager,
H. T. W. Janson,

Provincial Insurance Company Limited
222 BISHOPSGATE, LONDON EC2M 4JS.

MERCHANT BANKING—£7,000-£10,000

Our client, a member of the Accepting Houses Committee, seek Graduate Chartered Accountants and Commercial Lawyers with 1-2 years' post-graduate experience in the profession or banking. Knowledge of at least one European language would be an advantage. Only first-rate applicants with a good examination record will be considered.

Please write or telephone:
Beresford Associate Ltd.,
Cross Keys House,
56, Moorgate, London EC2R 6EL
Tel: 01-628 7546/7

International Recruitment Specialists for the Commodity Markets

Commodity Graham Stewart Appointments

Cocoa Director

LONDON

A person of wide International dealing experience is required by a major Commodity Trading Company to take charge of their cocoa dealing operation. Thorough knowledge of both Physical and Terminal trading essential. Remuneration (based on salary and commission) and company car and other benefits to be negotiated with the successful applicant.

Apply in the first instance to:
Mr. Graham Stewart, Commodity Appointments Ltd., 8, Egmont House, 116, Shaftesbury Ave., London, W1. Telephone: 01-439 1701.

Egmont House 116 Shaftesbury Avenue London W1 Tel 01-439 1701

GEC

Pension Funds

Equity Investment Management

An opportunity has arisen for an ambitious person aged 25-30 to join the small team managing GEC's pension funds equity portfolios. The successful applicant will make a significant contribution assisting the Equity Manager in the day to day administration of the portfolios, formulation of policy and identification of investment opportunities. Relevant experience, versatility and an ability to work accurately are prerequisites and candidates of either sex, should be numerate and professionally qualified.

An attractive salary and benefits will be offered.

Please apply giving full personal and career details to: P. Olney, Investment Manager, GEC Ltd., 1, Stanhope Gate, London W1A 1EH. Tel: 01-493 8484

(The address reads: GEC Ltd., 132, Long Acre, London WC2. Tel: 01-836 3444)

BANKING
CREDIT ANALYST

A number of our clients, leading International Banks and members of the Accepting Houses Committee, wish to appoint Credit Analysts at various levels, some senior. A background of sound Credit training and/or experience is essential and ideally candidates should hold a degree and/or professional qualification.

Please write or telephone:
T. C. H. Macafee,
Beresford Associates Ltd.,
Cross Keys House,
56, Moorgate, London EC2R 6EL
Tel: 01-628 7546/7

TSB

CHIEF ACCOUNTANT

(BANKING)

West of Scotland **£11,000 plus**

The TSB movement is now extending its traditional role by offering a full range of banking services to its customers and in the West of Scotland we have recently undergone a major reorganisation to enable us to operate effectively in our new role. We now seek a qualified Accountant who will assume control of the Finance Department when the present incumbent retires in mid-1980.

The person appointed will be involved in all aspects of financial accounting including investment, dealing, financial and management accounts, credit services, foreign exchange, etc. The job therefore requires a fully professional, but imaginative, approach to financial management with the emphasis on effective communication to all levels of the business.

Candidates must be qualified Accountants with at least four years' experience in a senior responsible position, probably in Banking or Savings Banking. Although age is not material, a person under 35 years of age is unlikely to have the depth of experience we are seeking.

We offer a starting salary of £11,000 p.a. upwards, according to experience, and benefits include non-contributory pension and house purchase assistance schemes. The Bank's head office is located in Glasgow.

Please write for a job description and application form to:

Mr. John Lowrie, General Manager
WEST OF SCOTLAND TRUSTEE SAVINGS BANK
P.O. Box 129, 177 Ingram Street
Glasgow G1 1DL
marking the envelope "Confidential."

INTERNATIONAL AUDITORS

BRUSSELS **£10,000-£15,000**

The European Audit Department of a major U.S. multi-national corporation in Brussels has openings for SENIOR and SUPERVISING SENIOR AUDITORS.

Candidate requirements are:

- At least four years' post-qualification experience with a major international audit firm and/or a U.S. multi-national corporation.
- Preferably a university graduate.
- A positive personality, able to work independently and having the initiative and energy to meet deadlines.
- Willing to travel (in Europe) about 60% with weekend return to Brussels.
- Languages: Fluency in French and/or German a distinct advantage.

An attractive salary will be negotiated depending on the Candidate's experience and qualifications. In certain cases very interesting tax advantages can be obtained.

Write in confidence, giving full career and personal details, to:
Paul H. Handels, European Audit Director,
EMERSON ELECTRIC & CO.,
Avenue Adolphe Lacomblé 62, 1040 Brussels, Belgium.

SECRETARIAL APPOINTMENTS

PRESTIGE IN FINANCE
£4,800 neg.

The Group M.D. of a leading finance house in the City is looking for a capable, confident PA Sec. with good speeds for the times when the pressure is on. His area of responsibility is wide and he is out a good deal, so an ability to cope with a fluctuating workload will be essential. The executive floor, where you will have your own office, is luxurious, and the people very friendly. Ideal age 25-35. Ring Juliet Hepburn.

Senior Secretaries
Recruitment Consultants,
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PRESIDENT'S P.A./SEC.
£5,000+

An excellent career opportunity for a top-level secretary. This worldwide company in the financial field is expanding its European operation. Second language essential, French or German—both an advantage. The ideal applicant should have good shorthand skills and have had a Banking, Finance or Insurance background. The ability to deal with high-level clients is a must. A superb opportunity with challenge and total "job satisfaction."

Please call Miss S. Robinson
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Prime Personnel Consultants

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Secretaries, copy typists and audios needed now for Knightsbridge and all central London areas. New top rates.

Roni Norris 584 8166
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Please contact: C. Rickard, Malla Management Consultants, Devonshire House, 1 Devonshire St., London W1N 1FX. Tel: 01-636 6991

CHIEF ACCOUNTANT
INSURANCE BROKERS

Age: 25-35 **Up to £10,000**
City **+Mortgage Subsidy**

The company Our Client is a rapidly growing Lloyds broker. A young management team is combined with a professional and forward looking approach.

The position Reporting to and deputising for the Financial Director. Responsible for the operation of the Accounts Department and the development of a new computerised system.

The person He/she must be a qualified Chartered Accountant with experience in the insurance industry. Experience and interest in systems work are important, together with administrative and management skills.

Please write or telephone in the strictest confidence to Ian Willis.

Right Match International Limited
5 St James's Place, London SW1A 1NP.
Telephone: 01-491 4737. Telex: 97180
24hr telephone answering service

BOND DRAWINGS

GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE
9,75% 1975/1983
Loan of U.A. 15,000,000

We inform the bondholders that 1,500 bonds of nominal each U.A.1,000.- have been drawn for redemption in the presence of an "Huissier" in Luxembourg on 15th February 1979.

The bonds will be reimbursed at par on 10th April 1979, coupon due 10th April, 1979 and followings attached according to the modalities of payment on the reverse of the bonds.

The numbers of such drawn bonds are as follows:
5981 to 6480 incl.

The following bonds previously called for redemption have not yet been presented for payment:

1977:	8789 to 8799	8895 to 8898	9026 to 9031	
1978:	2733 to 2735	2933 to 2940	2971 to 2972	2978 to 3023
	3053 to 3055	3320 to 3334	3412 3452	3473 to 3474
	3486 to 3488	3600 to 3609	3620 to 3625	3782 to 3783
	3814 to 3817	3826 3832	3837 to 3838	3863 3868
	3870 to 3879	3882 to 3887	3955 to 3962	3996 to 4007
	4102 to 4103			

Amount outstanding after 10th April 1979: U.A.11,000,000.-
Luxembourg, the 19th February 1979.

The Principal Paying Agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, Av. Emile Reuter,
Luxembourg.

REPUBLIC OF SOUTH AFRICA 1971/1986
8% LOAN OF ECU 25,000,000.-

The redemption on 1st April 1979, for which an instalment of ECU 2,000,000.- is planned, was completely effected by a draw by lot.

BOND NUMBERS DRAWN

8795 / 8851	8859 / 8880	8773 / 8907	8912 / 8940	8988 / 9040
9054 / 9059	9137 / 9200	9207 / 9226	9241 / 9300	9316 / 9336
9339 / 9413	9431 / 9436	9449 / 9501	9503 / 9506	9510 / 9515
9521 / 9617	9617 / 9629	9638 / 9696	9701 / 9735	9738 / 9747
9751 / 9768	9773 / 9784	9787 / 9824	9835 / 9843	9846 / 9851
9854 / 9957	9965 / 9967	9970 / 10023	10026	10035/10067
10069/10075	10077/10093	10150/10151	10517/10290	10303/10315
10318/10320	10323	10326/10337	10383/10388	10439/10440
10481/10483	10484/10535	10552/10563	10587/10605	10627/10629
10651/10681	10683/10694	10707/10715	10717/10730	10742/10755
10758	10762/10764	10776/10788	10793/10796	10798/10800
10804/10810	10814/10816	10819/10821	10833	10850/10852
10860/10880	10882/10893	10896/10903	10905/10911	10916/10986
11007/11014	11020/11025	11038/11057	11068/11069	11077/11078
11081/11084	11088/11097	11101/11110	11121/11145	11158/11181
11183/11186	11190/11192	11200	11226/11230	11237/11242
11248/11251	11258/11270	11276/11292	11322/11336	11339/11351
11371	11373/11379	11381/11384	11431/11436	11438/11443
11459/11464	11471/11474	11476/11490	11511/11540	11556/11568
11571/11577	11601/11617	11621/11640	11642/11647	11650/11660
11677	11697/11698	11711/11720	11751/11762	

OUTSTANDING AMOUNT AFTER 1st APRIL, 1979 — ECU 18,000,000.-

Drawn bonds will cease to bear interest on April 1st, 1979. Bonds presented for repayment should be surrendered with coupons as to 1st April, 1980 and subsequent attached and will be payable according to the conditions stated on the bonds.

The FISCAL AGENT
BANQUE DE PARIS ET DES PAYS-BAS
POUR LE GRAND-DUCHE DE LUXEMBOURG

LEGAL NOTICES

No. 00567 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ROSECAST LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 19th day of February, 1979, presented to the said Court by S. KERSEN LIMITED whose registered office is situate at 87/95 Cleveland Street, London W1P 6JL, a creditor of the above-named Company, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 26th day of March, 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ASHLEY KALMS, TRAVELL & CO.,
58 London Road,
Southend on Sea,
Essex SS1 1QQ.
Ref.: DW/20091.
Tel.: 0702 354455
Solicitors for the Petitioner

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 23rd day of March, 1979.

No. 00568 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SAMEX LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 19th day of February, 1979, presented to the said Court by DEREK ARTHUR EBSWORTH of 56 Tunbridge Road, Southend on Sea, Essex, Company Representative, a Creditor and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice Strand London WC2A 2LL on the 26th day of March 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ASHLEY KALMS, TRAVELL & CO.,
56 London Road,
Southend on Sea,
Essex SS1 1QQ.
Ref.: DRC. Tel.: 0702 00666
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 23rd day of March, 1979.

No. 00653 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of A. VOYIAS AND CO. LIMITED and in the Matter of THE COMPANIES ACT 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 26th day of February 1979 presented to the said Court by H. SAACKE LIMITED whose registered office is at Fitzherbert Road, Farlington, Portsmouth, Hampshire, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 2nd day of April 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ROBBINS OLIVEY & LAKE,
218, Strand, London WC2R 1AU.
Agents for:
Blake Lapthorn Rea & Williams,
8 Landport Terrace,
Portsmouth PO1 2QW.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of March 1979.

IN THE MATTER OF
THE COMPANIES ACTS, 1948 to 1976
AND IN THE MATTER OF
1. SIEGE ESTATES LIMITED
2. SIEGE SECURITIES LIMITED
3. ASHLEY GARDENS PROPERTIES LIMITED
4. SOUTHWAY INVESTMENTS LIMITED
5. W. PYE & SON LIMITED
6. SIEGE INVESTMENT HOLDINGS LIMITED
7. SIEGE SYSTEMS (U.K.) LIMITED
(All in Voluntary Liquidation)

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act, 1948, that General Meetings of the Shareholders and General Meetings of the Creditors of the above-named Companies will be held at the offices of W. H. CORK, GULLY & CO., Chartered Accountants, Guildhall House, 81/87, Gresham Street, London, EC2V 7DS, on the 8th day of March 1979, at the times stated below for the purpose of receiving accounts of the Joint Liquidators' Acts and Dealings and of the conduct of the Winding-Ups to date.

	Time of S'holders' Meeting*	Time of Creditors' Meeting*
1. Siege Estates Limited	11.00 a.m.	11.15 a.m.
2. Siege Securities Limited	11.05 a.m.	11.25 a.m.
3. Ashley Gardens Properties Limited	11.07 a.m.	11.30 a.m.
4. Southway Investments Limited	11.08 a.m.	11.35 a.m.
5. W. Pye & Son Limited	11.09 a.m.	11.40 a.m.
6. Siege Investment Holdings Limited	11.10 a.m.	11.45 a.m.
7. Siege Systems (U.K.) Limited	11.12 a.m.	11.50 a.m.

Dated this 20th day of February, 1979.
M. J. SPENCER, G. A. WEISS,
Joint Liquidators.

* Or as soon thereafter as the previous Shareholders' or Creditors' Meeting (as the case may be) shall have been concluded or adjourned.

LECTURES

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by Viscount Combermere
3 One-hour Lectures at
The City University
Northampton Square, EC1
at 1.00 pm
March 2, 9, 16
Admission Free

OBITUARY

de BRETT.—On 25th February, 1979, peacefully at Hoxton Hospital, [illegible]

COMPANY NOTICES

BANQUE FRANCAISE DU COMMERCE EXTERIEUR
Loan of U.S.$50,000,000
9¼%—1975 1982
Unconditionally guaranteed by the French State

Bondholders of the B.F.C.E. 9¼% 1975/1982 loan are hereby informed that the amortization of March 26 1979 for which an instalment of U.S.$3,500,000 is due has been completely repurchased on the market. Interest due on March 26 1979 can be paid at the following banks:
BANQUE FRANCAISE DU COMMERCE EXTERIEUR—Paris
CREDIT LYONNAIS—Luxembourg
BANQUE NATIONALE DE PARIS—Paris
SOCIETE GENERALE—Paris
BANQUE DE PARIS ET DES PAYS-BAS—Paris
SOCIETE GENERALE DE BANQUE—Bruxelles
BANQUE BRUXELLES LAMBERT S.A.—Bruxelles
CREDIT SUISSE—Zurich
DEUTSCHE BANK A G—Frankfurt

Amount remaining in circulation after the fourth instalment: U.S.$29,000,000

Bonds previously drawn and not yet submitted for redemption
March 26 1977: Nos 11392 to 11402, 12346, 12530 to 12531.
March 26 1978: Nos 13103 to 13305, 13556, 13755, 14415 to 14420, 14532 to 14371, 14590, 14976 to 14980, 15271, 15272, 15916 to 15929.

The Fiscal Agent:
CREDIT LYONNAIS-LUXEMBOURG

INTERCOM
SOCIETE INTERCOMMUNALE BELGE DE GAZ ET D'ELECTRICITE
Société Anonyme

Registered Office
Brussels, place du Trône 1 (Belgium)

The Board of Directors have decided to summon an extraordinary general meeting of the shareholders on April 6th next to deliberate on a proposal of increase of the capital by an amount of BF 4,611,480,450 so as to bring it to BF 31,946,383,730 by creating and issuing 3,426,613 new shares. These new shares will be issued at BF 1,345 each, plus a premium to be fixed by the general meeting so that the subscription price does not exceed BF 1,850. They will be offered in public subscription in principle from May 14th to June 8th 1979 in the proportion of
—3,392,400 shares to owners of old shares, who will be entitled to subscribe as of right in the proportion of one new share for every six old shares.
—34,210 shares to members of staff.

If the legal quorum of presence is not reached on the general meeting of April 6th, a second meeting would be convened for Friday 27th April. The proceeds of the capital increase will be devoted to finance a part of the investment programme of the Company.

U.C. INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed from 17th April 1979 to 23rd April 1979 both dates inclusive.

per pro UNION CORPORATION (UK) LIMITED
London Secretaries
L. W. Humphries

Princes House
95 Gresham Street,
London EC2V 7BS
28th February 1979

BANK OF AMERICA INTERNATIONAL S.A. LUXEMBOURGEOISE

NOTICE OF REDEMPTION
SANDVIK AKTIEBOLAG 8¾% BONDS
Due April 15th, 1986
U.S.$30,000,000.00—Third Redemption

NOTICE IS HEREBY GIVEN to the Bondholders of the above mentioned issue that the amount redeemable on April 15th, 1979, i.e., U.S.$1,500,000.00 was bought in the market. Amount outstanding: U.S.$25,500,000.00.

NOTICE

The following Bonds drawn for redemption on April 15, 1977, have not yet been presented for payment:
Nos. 411, 420, 528, 662, 664, 687, 769, 791, 792, 844, 846, 883 = 12 Bonds of U.S.$1,000.00 each

For SANDVIK AKTIEBOLAG
By Bank of America International S.A.—Luxembourg.
Principal Paying Agent.

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— years of activity in this field
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LOMBARD

Scientists in government

BY DAVID FISHLOCK

THE RELATIONSHIP between a creative scientist or inventor and his sponsor is a delicate one; certainly no less so than that between artist and patron. Both professions demand considerable freedom of expression. But the sponsor will eventually want results, whether in terms of aesthetic satisfaction or—much more probably—hard cash.

In 1971 the complacency of the scientific community in Britain was shattered by Lord Rothschild who, as head of Mr. Heath's new Cabinet Office think-tank, suggested that scientists might address themselves more to national needs and less to personal whim. As an inducement he proposed that control of part of the science vote should be relinquished by the academic scientists themselves and placed with scientists working for departments of government, who in turn would help to define the national needs for research.

Safeguards

The government accepted the Rothschild formula and its customer-contractor relationship: "The customer says what he wants. The contractor does it (if he can); and the customer pays." It was implemented, albeit with checks and safeguards, in 1972 and did little to enhance the popularity of its creator among his fellow scientists.

The framework for Government Research and Development (Cmnd. 5046) extended the customer-contractor relationship from defence R and D to industrial agricultural, environmental and medical research. It set up chief scientists and science secretariats in several departments — Health, Agriculture, Environment, Home Office, etc. And it created from some of the country's top scientists the Advisory Board for the Research Councils to advise the Secretary for Science on how to spend a science vote which this year will reach £260m.

The latest report of this Board suggests that the Rothschild formula, though at first fiercely resisted in many quarters, is now securely established. The appointment of the chief scientists and their secretariats is declared to have been a major benefit.

The partnership between departments and the nation's research base is strongest between Industry and the Science Research Council, where there are now joint projects such as the teaching factory scheme. Much improved these days are relations between the Natural Environment Research Council and its several sponsoring ministries (Energy, Agriculture, Environment, etc.).

The Agricultural Research Council has forged sound links with the corresponding department.

The Government's scientific advisers are sufficiently satisfied to be recommending that no major change should now be made in the general character of the science-funding system. But their report says that no more of the science vote should be transferred from research councils to departmental control. It also warns that departments should not jeopardise the system by failing to spend funds transferred to their control with their research contractors.

Step forward

What the Board may have missed, since it seems to report formally only every two or three years, is an opportunity to urge upon the Government another important step forward in the development of British science policy. Two of the main departments of government—the Treasury and the Foreign Office—still have no chief scientist or science secretariat. True, they do not commission research *per se*. But we have just had a Cabinet Office report on the state of industrial innovation in Britain which implies unequivocally that the presence of such an adviser in its ranks might prevent some of the grave misapprehensions which are stifling innovation today. At the Foreign Office, the case would rest squarely with the depth of its involvement with highly technical matters in, for example, defence, disarmament and international energy policy, and the frequency with which its ministers need to consult the scientific advisers at Energy and Defence.

It may even be time to urge upon the Government the reinstatement of the post of chief scientific adviser to the Cabinet. It was abandoned in 1974, in the wake of a similar decision in the U.S. But the Americans have since seen the wisdom of having a White House adviser well above the daily departmental battle. One of the most imaginative tasks of the present incumbent has been to set up a nationwide investigation into whether U.S. technology is in decline.

The pros and cons of La Roche judgment

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THE EUROPEAN Court's judgment on the appeal of Hoffman-La Roche against the Brussels Commission's decision which condemned its vitamin contracts is likely to make compulsive reading not only for anti-trust lawyers but also for marketing managers of all companies wielding great market power.

The judgment (No. 85/76) handed down on February 13 has only now been received and studied in London. In a document of 152 pages the Court explains with unprecedented clarity its views on market power and its abuse prohibited by the EEC Treaty. This will be gratefully acknowledged by all who have suffered in the past by the lack of certainty in this area of Community law.

On the whole the Court follows the established concept of the anti-trust art, leaning heavily on recent developments in Germany. It is regrettable however, that the judgment did little to remove the vagueness which persists in respect of the notion of "adverse effect on trade between member states"—only behaviour which has such adverse effect may be prosecuted under the competition rules of the Community. The judgment also includes some truly astonishing conclusions concerning the basic right of the accused to be heard, and the Court's ruling on this will place some companies investigated by the Commission in great jeopardy.

The case aroused the considerable displeasure of the Swiss Government and the Swiss courts sent a former employee of Roche to prison for industrial espionage after he had provided the Commission with several secret internal documents belonging to his employer.

The Commission objected to "fidelity contracts," that is, agreements obliging 30 bulk buyers of vitamins either to buy exclusively from Roche or at least to give Roche preference before other suppliers when prices were equal. Some of these agreements guaranteed customers special discounts which were meant to induce them to buy all their requirements of certain vitamins from Roche. As a result, claimed the Commission, there was discrimination between customers while other suppliers were either kept out of the market or prevented from increasing their share in it.

The Commission concluded that Roche, which is the world's largest vitamin producer and which produces more than all other producers put together, was abusing its dominant position in a way which interfered with trade between member States. It fined Roche about DM 1.1m.

The Court rejected the Commission's argument that size alone showed that Roche was market dominant. The company had a number of groups of vitamin products, each of which were separate, required specific investments and formed their own market, the Court said. It should be noted perhaps in this connection that the vitamins produced by Roche serve not only medical purposes and as additives to food and animal feeding stuffs, but also have important technological uses.

The Court gave greater weight to the fact that Roche's shares in these vitamin markets were much greater than those of its most important competitors, that it had a technological lead over its competitors and benefited from a first class distribution network. It ruled that a substantial market share was an important indication of market dominance but it was impossible to say that a certain percentage share of the market is sufficient proof of dominance. This percentage will vary from market to market according to its particular structure. In any case, said the Court, an enterprise, which has a particularly high market share for a long period of time, is in such a position of strength that it has the independence to act as it pleases—which is characteristic of a dominant position.

When considering whether the fidelity contracts of Roche adversely affected trade between member States the Court took the now usual recourse of referring to the introductory provisions of the EEC Treaty. These state that the protection of undistorted competition and the harmonious development of the economy are among the principal aims of the Community. From these rather vague statements of aims the Court appears to conclude that as Roche's behaviour infringed competition in a market stretching over the entire Community it also harmfully affected trade between member States. The Court was more specific only when mentioning that some of the contracts protected the maintenance of different price levels in different member States and in this way partitioned the Common Market.

An important part of Roche's defence was that it couldn't foresee that fidelity contracts and fidelity discounts would be seen by the Commission as an infringement of Article 86 prohibiting abuses of market power. The law was not sufficiently clear and specific, it argued, and there could be no crime and no punishment unless it had clearly been laid down in law. M. F. Capotorti, the Court's Advocate General who dealt with this case, accepted this argument. He proposed that though the Commission's conclusions concerning abuse of market power should be approved by the Court, the fine should be lifted.

The Court did not follow the Advocate General and pointed out that fidelity discounts were disapproved of in law by some member States, and that a careful management had to consider, if not the probability, then at least the possibility, that the provisions of Article 86 would be applied to fidelity agreements concluded by a dominant enterprise.

The Court also drew attention to Article 2 of Regulation 17/62 (on which the investigatory power of the Commission is based). This gives companies the possibility of obtaining clarification from the Commission beforehand. The Court therefore saw no reason for lifting the fine as proposed by Mr. Advocate General Capotorti. But it found other reasons for reducing it by a third. The duration of the infringement was shorter than claimed by the Commission and Roche had already removed the objectionable clauses of its contracts during its investigations.

The astonishing part of the judgment concerns Roche's complaint that the Commission did not disclose a number of important documents on which it based its conclusions and gave Roche no opportunity to be heard on the validity and relevance of such evidence. The Court said this was wrong but added that "irregularities of this sort do not necessarily lead to annulment of a decision if they are 'healed' during the procedure before the Court, except when the right to be heard remains infringed in spite of the subsequent 'healing' of the irregularities."

This is a most ominous ruling. It means that many companies condemned by the Commission will have no means of knowing whether they have grounds for appeal or not. They will have to risk the appeal in order to find out, and not all of them are so well endowed with managerial power and money as the Swiss giant.

Havanus can defy penalty

RACING

BY DOMINIC WIGAN

FIVE course winners are in the eight-runner field for today's feature event at Lingfield, the Hidden Mystery Chase, and backers are likely to find it a tricky problem.

My idea is a victory for either Havanus, a winner over hurdles here, or Perambulate, who has twice obliged over fences on this popular Surrey course.

Havanus, one of the best young hurdlers three seasons back, has met with mixed fortune since taking to the bigger obstacles. The winner of Newbury's Halloween Novices Chase on his first appearance over fences early last season, the David Morley seven-year-old went on to blunder away a winning chance at Ascot before running with contrasting success at Nottingham, Windsor and Sandown.

The erratic pattern has been maintained this term. A faller at Kempton on his reappearance in January, Havanus then ruined any chance he might have had in Sandown's Leisure Caravan Parks Chase early last month before justifying good support at Newbury a week later, when giving a stone and a 1½-lengths beating to Fjord in the Thatcham Handicap over today's 2½-mile trip.

If that Newbury run has given a boost to Havanus's confidence he should make a bold bid today off his handy mark of 11 st 4 lbs.

Perambulate, 13 lbs beneath the Cavan gelding in a particularly tight handicap, has failed to win in seven outings this season. However, he has a number of useful performances to his credit and it is difficult to envisage him finishing in the ruck behind his Bury St. Edmunds rival as he did when always trailing—after a long lay off—in the Thatcham.

I hope to see Havanus defying a 5 lb penalty and justifying his trip south.

The two divisions of the Heddon Novices Hurdle seem best left to Fred Winter and John Francombe.

Owen Glin, a Levmoss gelding who ran out the facile winner of a Panama Cigar qualifier at Newbury on December 30, pulling his way to the front two flights out before racing clear of Foggy Buoy, represents Uplands in the opening division.

His two-year-old stablemate Debt Collector will have my support in the second division. A shade disappointing behind Captain Flak at Ascot last time out, Debt Collector had previously run a highly encouraging race to finish a close third behind Regalus and Bombardier in Kempton's valuable G.J. Novice Hurdle.

LINGFIELD

2.00—Micgilibid

2.30—Owen Glin*

3.00—Havanus**

3.30—Crowning Issue

4.00—Prince Rock

4.30—Great Expectations

5.00—Debt Collector***

TV Radio

† Indicates programme in black and white.

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.41 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Ragtime. 2.00 You and Me. 2.15 For Schools, Colleges. 3.20 Teiliffant. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Don and Pete. 4.25 Jackanory. 4.40 The Space Sentinels. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Noah and Nelly.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 Potter.
9.00 News.
9.25 The Good Old Days.
10.15 Omnibus.
11.05 A Thousand Welsh Voices.
11.45 Weather/Regional News.

All regions as BBC 1 except at the following times:

Scotland — 9.41-10.03 am For Schools. 5.55-6.20 pm Reporting Scotland. 11.45 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 7.55-9.00 Broc Mor. 9.25 A Thousand Welsh Voices. 10.05 "Grand Slam" (play by Gwenlyn Parry). 11.05 Twindish. 11.35 News and Weather for Wales.

Northern Ireland — 11.30-11.45 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 8.30-9.00 Spotlight. 11.05 Potter. 11.35 News and Weather for Northern Ireland.

England — 5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40 am Open University.
11.00 Play School.
11.25 Ceefax Is Here (Trade information film).
4.50 pm Open University.
6.55 When the Boat Comes In.
7.45 Mid-evening News.
7.55 Newsbreak.
8.30 Midweek Cinema: "Breakfast at Tiffany's," starring Audrey Hepburn.
10.20 Nana's Journey Into Song.
11.10 Late News.
11.23 Open Door.
11.55 Closedown: Talk by art dealer David Carritt.

LONDON

9.30 am Schools Programme. 12.00 Little Blue. 12.10 pm Rainbow. 12.30 The Cedar Tree. 1.00 News, plus FT index. 1.20 Thames News. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Danger UXB. 3.20 No Man's Land. 3.50 Oh No, It's Selwyn Froggitt. 4.20 Little House on the Prairie. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames at 6.
6.25 Help!
6.35 Crossroads.
7.00 The Bionic Woman.
8.00 Robin's Nest.
8.30 TV Eye.
9.00 Show-Jumping.
10.00 News.
10.30 Inside Business.
11.00 The Thursday Film: "The Lovers," starring Richard Beckinsale.
12.40 am Close: Jo Maxwell Muller reads an Old Testament story.

All IBA regions as London except at the following times:

ANGLIA

... A Clue. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 10.30 Wish You Were Here?. 11.00 Thursday Movie—"The Vampire Lovers." 12.40 am Thoughts for Woman's World Day for Prayer.

ATV

1.20 pm ATV Newsdesk. 3.50 The Electric Theatre Show. 4.20 Jonny Quest. 4.50 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Format V. 11.00 Cinema Showcase: "A Pain in the A. . . ." starring Lino Ventura and Jacques Brel.

BORDER

1.20 pm Border News. 3.50 Give Us A Clue. 5.15 Laverne and Shirley. 6.00 Look Around Thursday. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 10.30 The Electric Theatre Show. 11.00 Power Without Glory. 11.55 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 3.50 Give Us A Clue. 6.00 Channel News. 6.10 Dynomutt The Dog Wonder. 7.00 The Incredible Hulk. 10.28 Channel Late News. 10.32 Untamed World. 11.00 Movie Premiere: "Bad Ronald." 12.20 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 3.55 Give Us A Clue. 5.15 Dynomutt—The Dog Wonder. 5.40 Help. 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 Emergency. 10.30 Sportscall. 11.00 Reflections. 11.05 Star Treatment. 11.35 Westside Medical. 12.30 am Grampian Late Night Headlines.

GRANADA

1.20 pm Dodo. 3.50 Stars on Ice. 4.20 The Life and Times of Grizzly Adams. 5.10 Max the 2,000 year-old Mouse. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Six Million Dollar Man. 10.30 What's On. 11.00 Late Night Thriller: Patrick Wymark in "The Psychopath."

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 3.50 Give Us A Clue. 4.20 Wyatt's Place. 4.45 Bailey's Bird. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.22 Report Wales. 7.00 The Bionic Women. 10.35 Music in Camera. 11.35 Richie Brockelman—Private Eye.

As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Seren Wib. 5.15-5.20 Cartoon time. 6.00-6.22 Y Dydd. 7.00 Dai Davies—goalkeeper. 7.30-8.00 Sounds of Britain. 10.35-11.35 Bod Yn ...

SCOTTISH

1.25 pm News and Road and Weather. 3.50 Give Us A Clue. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Emmerdale Farm. 7.30 How's Your Father. 9.00 Micky Duff, Matchmaker. 10.30 Birmingham Showjumping Championships. 11.30 Barnaby Jones. 12.25 am Late Call.

... 1.20 pm Southern News. 3.50 The Rolf Harris Show. 4.20 The Life and Times of Grizzly Adams. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.45 Dick Barton—Special Agent. 7.00 Emmerdale Farm. 7.30 University Challenge. 10.30 Southern News Extra. 10.35 People Rule. 11.05 The New Avengers. 12.00 What The Papers Say.

TYNE TEES

9.25 am The Good Word. North East Headlines. 1.20 pm North East News and Lookaround. 3.50 Give Us A Clue. 4.20 Beachcombers. 4.45 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 Northern Scene. 11.00 Sporting Chance. 11.30 Side Street. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.50 Give Us A Clue. 4.18 Ulster News Headlines. 4.20 The Life and Times of Grizzly Adams. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Counterpoint. 11.00 Thursday Night. 11.05 Hogan's Heroes. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.50 Give Us A Clue. 6.00 Westward Diary. 7.00 The Incredible Hulk. 10.28 Westward Late News. 10.30 Westward Report. 11.00 Movie Premiere: "Bad Ronald." 12.20 am Faith for Life. 12.25 West Country weather, shipping forecast.

YORKSHIRE

1.20 pm Calendar News. 3.50 Give Us A Clue. 4.20 Dynomutt. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 George and Mildred. 10.30 Wish You Were Here . . .? 11.00 Fantasy Island.

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnet at Cardiff Castle to celebrate St. David's Day. 2.00 pm Mike Read. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am: As Radio 2.

RADIO 2

5.00 am News Summary. ... Brandon (S). 7.32 Terry Wogan including 8.27 Racing Bulletin ... Pause for Thought (S) 10.... Young (S). 12.15 pm W... Walk. 12.30 Pete Murray's ... House (S). 2.30 David Ham... 4.30 Waggoners' Walk. 4.... Desk. 4.49 Ray Moore (S)... Sports Desk. 7.02 Country ... 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The Peter Goodwright ... 10.30 Star Sound Extra. 11.... Desk. 11.05 Brian Matthew ... Round Midnight including 12.... 2.02-5.00 am You and the Night and the Music with Sheila Tracy (S).

RADIO 3

‡6.55 am Weather. 7.00 News. ... Overture: Music for St. David's Day (S). 8.00 News. 8.05 Morning Concert (S). 8.55 Rural Rhymes. 9.... 9.05 This Week's Composer ... (S). 9.55 Music of the Golden Age, part 1 (S). 10.45 Interval ... 10.50 Concert, part 2. 11.4... at Lucerne, part 1 (S). ... Words . . . (talk). 12.20 K... Lucerne, part 2 (S). 1.00 News. 1.05 Bradford Midday Concert (S). 2.00 "Christophorous," Opera in two acts by Schreker. Act 1 (S). 3.05 In Short (talk). 3.15 "Christophorous," Act 2 (S). 4.00 Mozart piano recital. 4.20 Flamenco Recital (S). 4.50 Rostrum 78 (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound (continued). ‡6.15 At Home: Concert. 7.20 ...

RADIO 4

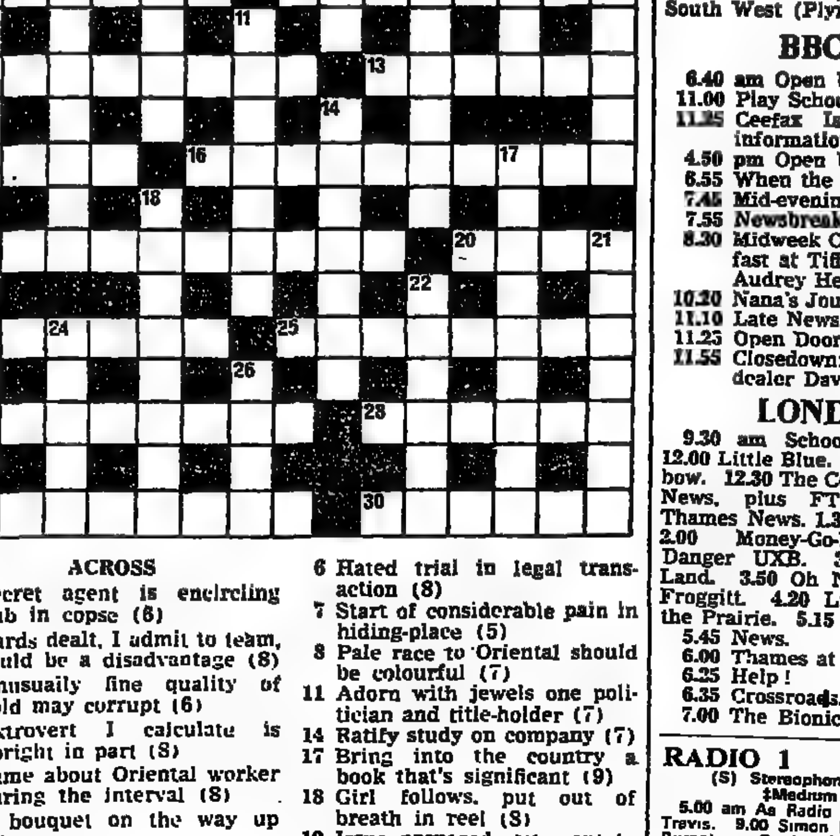
... Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Yehudi Menuhin concert, part 1 (S). 8.45 Notes for a Life: Bryan Forbes reads an extract from his autobiography. 9.00 Yehudi Menuhin, part 2 (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any ...

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,910



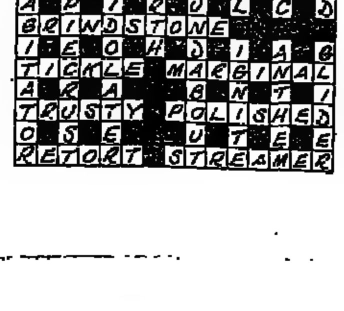
ACROSS

1 Secret agent is encircling pub in copse (6)
4 Cards dealt, I admit to team, could be a disadvantage (8)
9 Unusually fine quality of gold may corrupt (6)
10 Extrovert I calculate is upright in part (8)
12 Mime about Oriental worker during the interval (8)
13 A bouquet on the way up (6)
15 Soldiers I had to follow in attack (4)
16 Divest of value, one tenner initially, in death (10)
19 Manual trade worker with one boat (10)
20 Piece of timber for box (4)
23 Insignificant person has no substantial quality (6)
25 Ready and fit to cook (8)
27 One who deals in stocks could be a surgeon (8)
28 Part of wicket in fold (6)
29 Records attempt to make ornamental textile (8)
30 Tasted differently it's said (6)

DOWN

1 Comparatively thin and crafty (7)
2 Higher prices in accommodation I take on (9)
3 Refinement coming from N.E. city (6)
5 Old silver edition (4)
6 Hated trial in legal transaction (8)
7 Start of considerable pain in hiding-place (5)
8 Pale race to Oriental should be colourful (7)
11 Adorn with jewels one politician and title-holder (7)
14 Ratify study on company (7)
17 Bring into the country a book that's significant (9)
18 Girl follows, put out of breath in reel (8)
19 Issue prepared statement to press (7)
21 Communist leader nicknamed Ginger? (3-4)
22 Extract energy in essence (6)
24 Double episode containing radio signal (5)
26 Thus a rising artist may rise further (4)

Solution to Puzzle No. 3,909



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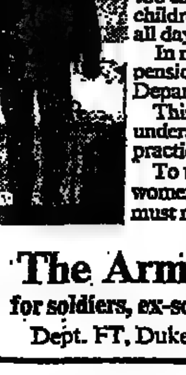
PRINCE CHARLES, Leic. Sq. 01-437 8181. IN PRAISE OF OLDER WOMEN (X). Sep. perfs. dly. (inc. Sun.) 12.40, 3.10, 5.55, 8.35. Late show Nightly 11.15. Seats bkble. Lic'd Bar.

STUDIO 1, 2, 4. Oxford Circus. 437 3300. 1. An all-star cast in Robert Altman's A WEDDING (AA). Progs. 2.20, 5.10, 7.55. Late Show Sat. 10.45 pm. 2. Agatha Christie's DEATH ON THE NILE (A). Progs. 2.30, 5.25, 8.10. Late Show Sat. 10.40. 4. THE DEER HUNTER (X). Sep. Perfs. Dly. 12.30, 4.05, 7.40. Late Show Sat. 11.30. Seats bkble.



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THE ARTS

Festival Hall

Riccardo Muti

Many of the qualities that characterised Riccardo Muti's conducting of Schubert's fifth symphony on Tuesday night at the Festival Hall—lucid, elegant, balanced—could glibly be attributed to a Latin temperament. Yet the performance was distinguished by a care of articulation and a depth of feeling altogether out of the ordinary. Using reduced forces (only six cellos and four double basses) the Philharmonia fielded a real string ensemble—no longer a common feature of London orchestral playing—which established a standard that was successfully maintained throughout the evening.

Dame Janet Baker was the ecstatically received soloist in Mahler's cycle (Songs of a Wayfarer). She chose to deliver these songs of spurned love in a bleak and sombre manner, not as a natural extension of the folksy Des Knaben Wunderhorn, but as pre-echoes of Kindertotenlieder. The vocal range was not well equalised, but nevertheless excellently handled; a slight flattening at the top of the stave could have been interpreted as "artistic" rather than a technical fault. Muti was a considerate but clear-eyed accompanist, making much of the wide dynamic contrasts offered by Mahler's orchestra.

Brahms's second symphony, after the interval, was a great success. Muti motivated the climaxes of the work by the accumulation of weight of tone, not merely volume, and the sheer size of sound he obtained from the orchestra (with no doubling of wind parts) never obscured detail. His phrasing was properly un-metronomic, yet properly rhythmically exact, due no doubt to Muti's excellent sense of melodic proportions and their movement against the regular pulse. Particularly admirable was the clean shaping of the bass line and its precise weighting in relation to harmonic movement.

RICHARD JOSEPH

Reading University

The Snow Maiden

Reading University Opera, whose recent policy has been to exhume nineteenth-century rarities, *Rienzi*, *Ruslan and Ludmila* and Franck's *Hulda* among them, is this year, because of "financial difficulties," offering Rimsky-Korsakov's *The Snow Maiden*. While not a rarity — it was given by the Royal Academy of Music not long ago and Sadler's Wells used to have the piece in its repertory — *The Snow Maiden* is not exactly bread-and-butter opera either, and Reading's revival, which plays in the Great Hall all this week, is very welcome; one of Rimsky-Korsakov's less familiar works, *The Tsar's Bride* for instance, would have been greeted with even greater pleasure.

The composer provided his own text, basing it on a play by Ostrovsky, and the resulting looseness of structure, while dramatically fragile, gave the Russian melodist and master of orchestral coloration frequent and varied opportunities to display his particular talents. At Reading the orchestra, though firmly controlled by Roy Stratford, can only give an approximate idea of the surface glitter to the score. The singers however, do take advantage of the treasures scattered so prodigally in their path, and that despite the limitations imposed by the Great Hall platform and some awkward positionings by the producer, Andrew Stafford, who with Pierre Turton also designed the blue and silver set, which place them too far upstage for comfortable audibility.

Fairy Spring, whose brief affair with King Frost has resulted in the birth of Snegurochka - the Snow Maiden, is prettily sung by Gillian Howard, who would benefit from stronger attack. John Michael Flannagan makes an authoritative King Frost; unfortunately his solid bass voice is only heard in the Prologue. As Snegurochka, Fiona Dobie has the right pure-toned soprano for the part and shapes her lovely music with evident appreciation. Roy Hewlett, a Reading regular, sings forcefully as Snegurochka's peasant foster-father Bobil. Annette Thompson, another Reading stalwart, is convincing as the shepherd-boy Lel; her enunciation is uncommonly clear, though the appalling, unattributed translation offers no encouragement to her — or anyone else—in that respect.

Bente Marcussen brings great vivacity and warmth of tone to Kupava, the flesh-and-blood girl who contracts so effectively with pale, cold Snegurochka.

ELIZABETH FORBES

Hammersmith Odeon

Van Morrison

by ANTONY THORNCROFT

Van Morrison, dumpy, balding, self-contained to the point of moroseness, embodies one of the most powerful myths in rock. He left the UK a decade ago, the singer in Them, a Belfast band with an aggressive image, and progressed into an American cult, the creator of records which featured more in critics' lists of essential rock than in the charts. He returns rarely, usually to a triumph or a disaster.

He could have been sleepwalking through most of his set at Hammersmith on Monday night. Van Morrison can command the best musicians in the U.S. and his current band—ten strong—is exceptional. With such support Morrison needed to rouse himself little and, although by the end he was hammering out the piano and teasing with the mouth organ, it was more a triumph for professional musicianship than for the front man.

Yet it's Morrison's music and his concept—rock which adds maturity through saxophones and some exquisite violin from Toni Marcus. It is emotional stuff building up to rousing choruses to be calmed down by Morrison's authoritative finger to a gentle violin solo or a delicate guitar, and then growing to yet another climax. And Morrison is the voice—deep and anguished, the best white blues singer. He cannot always be bothered to use his talent, but all the time this deadpan man in the black leather jacket threatens power and drips with style. It is enjoyable to be transfixed by his music. It is not as good as it seems, probably because Morrison's songs are unvaried and too loosely structured, but it is still likely to prove one of the most memorable musical experiences of the year.

Country Cousin

Steppin' out with Berlin

Now that Country Cousin is quite sophisticated, with a dash of neon and a spiral staircase on stage for grand entrance, a more theatrical act can be attempted. *Stepping out, with Irving Berlin*, a canter through some of his songs by Joyce Blair and Tudor Davies, was a bit too theatrical on oening night when Joyce Blair body mike, tucked daintily into her cleavage, failed to function. It made for drama rather than delight.

The lady is having a rotten time what with her plays collapsing under her likht the rickety chairs at Country Cousin, but she was able to joke that this would be her "last opening night this week." It would have been better for the producer to have stopped the show for a re-adjustment because given the strange shape of this supper room there was no way in which Miss Blair could sound anything but inaudible. Mr. Davies on the other hand sang out nobly, creating a bizarre imbalance.

The audience behaved very well, as quiet as mice as they strained to hear, which suggests that the material was worth listening to. It was the safe but satisfying standards—starting with *Lets face the music and dance* and continuing through the romantic classics like *Cheek to Cheek* to the more blatant show tunes like *Alexander's Ragtime Band*. With their top hats, white ties and tails, Joyce Blair and Tudor Davies are right on target for the Country Cousin crowd and if the mechanics function, as I'm sure they do now, a nicely self-indulgent evening will be had by all.

ANTONY THORNCROFT

Leonard Burt

Brian Protheroe, Stephanie Beacham, Kenneth Cranham and Susan Porrett

Royal Court

The London Cuckolds

by B. A. YOUNG

You could describe this piece by Edward Ravenscroft as a Restoration bedroom farce. The only moral to be drawn from it is that, no matter what steps you take to preserve the honour of your wife, you are going to lose.

Alderman Wiseacre marries a 14-year-old girl from the country on the ground that she will be so ignorant that she will not know how to deceive him. Alderman Doodle believes that a witty wife like his will discern the traps set for her by seducers and avoid them. Dashwell, a City lawyer, is so confident of his wife's devotion to her religion that he cannot believe her capable of wrongdoing.

All three wives are seduced in due time by three young men of the town, and in manners to suit the different precautions taken by their husbands. As the play dates from 1681, it is hardly necessary to say that they are all very anxious to meet the fate worse than death, and most of the play, which is packed with action, consists of occasions where seduction is only narrowly averted by the unexpected return of a husband, a fire-alarm or other such misfortune. Ravenscroft is hardly subtle in his invention, but at least he is generous and nearly always funny.

I particularly liked the episode where Loveday, Eugenia Dashwell's former lover, not only foils Ramble's seduction of Eugenia, but provides himself with a handsome supper as well by pretending to raise the devil. (This is said to have been borrowed from a French tale published 40 years earlier. In fact, according to one authority, half the good things in the play are collected from the French or the Italian—none the worse for that.)

Stuart Burge directs a sterling production with a handsome set by Robin Archer presenting in one piece the houses of the three husbands, looking spankingly new and fresh. The three errant wives are admirably taken by Deborah Norton (the witty one), Stephanie Beacham (the religious one) and Nina Thomas (the young one)—and how pleasant it is to be dealing for once with mature women instead of romantic teenagers. Alan Dobie, Roger Kemp and Barry Stanton play the unfortunate husbands; Kenneth Cranham is Ramble, the principal seducer—he makes an attempt on all three wives—and Michael Elphick is his drinking friend, Townly. The romantic Loveday is admirably done by Brian Protheroe. The cast is indeed a strong one from top to bottom, and the evening an unusual pleasure.

Action Space Drill Hall

Life is a Dream by B. A. YOUNG

Our, two big theatres both continue to ignore the Golden Age of Spanish drama, and here is the Cherub Company with a pinprick of reproach. It can be no more than a pinprick, for the Cherubs are an ad hoc company formed by two players from the golden age of the Young Vic, Andrew Visnevski and Simon Chandler, with no capital. But if they can go on as well as they have begun with their production of Calderon's *Life is a Dream (La Vida es sueño)* we may be very grateful to them.

The version played is an adaptation by Mr. Visnevski and Mr. Chandler into modern prose, and plays a little over an hour. The play is of fascinating interest. Not for its conventional network of mysterious parentage and broken alliances: to be frank, all the exchanges of loyalty at the end of the play have a hint of the comic when they are deprived of the sonorous verse that goes with them. But alongside this, there is the story of Prince Segismundo.

Prince Segismundo (Simon Chandler) lies on the stage when we come in, dressed in sackcloth and bound hand and foot. His father, King Basilio of Poland, has been told that his son "would divide the Kingdom and make it a prey to vice and treachery," so he has kept him all his life in a mountain *prison*. One day the King, an amateur astrologist, decides to release Segismundo for a while and see what happens.

Segismundo having been treated like an animal for so long, what happens is murder and rape, so the King hurriedly has the Prince returned to his cell and convinced that what he saw during his liberty was only a dream. Later he is released by an insurrectionary party who want him as their King, and defeats his father in battle. But the brutal things he has seen in his "dream" have purged him of his bestial instincts, and he is now a perfect Prince, restoring his father to power, forgiving his enemies, and marrying the beautiful Rosaura, who had believed herself affianced to Clotaldo, a Polish nobleman until she discovered that he was her long-lost father.

This brief summary does less than justice to the depths of the play. The Cherub Company, playing on an economical set, with no décor but a tiny stage, a step ladder and some blue-and-gold bunting, make a very good thing of it. They are a young company, and all of them speak with admirable clarity and music. There are particularly good performances by Mr. Chandler as Segismundo, Sara Squires as Rosaura and James Windsor as the comic servant Clarin.

The Action Space Drill Hall is in Chenies Street, off Tottenham Court Road, but the last performance is today. They go to the Young Vic Studio from March 12-17. The play starts at ten minutes past one. I recommend it unreservedly.

St. John's, Smith Square

Kovacic and Schiff

by DAVID MURRAY

The Austrian violinist Ernst Kovacic began his BBC Lunchtime Concert on Monday with Bartok's great solo Sonata. From the opening bars of the Chaconne it was evident that Kovacic had the essential rhythmic grip, without which both the Chaconne and the succeding Fuga founder into interesting episodes; and he had also the intellectual authority to bring home the functional sense of all Bartok's proliferating ideas. His technical assurance throughout was impressive, even granted some spots of faulty intonation—the violinist must be constantly snatching notes out of the air, and it is forgivable that the odd one should arive slightly bent.

All that was lacking in this admirable performance was *élan*, a forward drive strong enough to keep the enormous span of the Chaconne aloft. Kovacic allowed himself a good many tactical ritardandi; that sounded prudent, rather than over-cautious, but like the Bach D minor Chaconne which was the composer's model, Bartok's loses something if too many paragraphs approach full stops. The final Presto, too, buzzed with clean energy for some time and then declined suddenly into indecision before the end. But Kovacic had been judicious and searching in the "Melodia"; and his account of this whole daunting masterpiece promises to mature splendidly.

The violinist maintained his confident form in Mozart's grand B-flat Sonata K. 454, for which he was joined by the pianist Andras Schiff. Whether Schiff was worried about over-balancing his partner, or simply believes that slightly winsome reticence is the right form of address for this Sonata, he sounded coyly backward from the start—the majestic Largo introduction was sown with doubtful little hesitations. In both the quick movements he alternated between tentative forays of brittle delicacy, and hasty retreats whenever the violin had the tune, often contradicting Mozart's rather careful markings. The Andante, taken Adagio and very sentimentally pedalled, had far too little strength to make sense of its remarkable development. There were enough inconsistencies between what the two players did to suggest that their collaboration has been brief; a fresh beginning ought to be prescribed.

Record Review

Bartok and Schumann

by DOMINIC GILL

Bartok: Piano concertos nos. 1 and 3. Peter Serkin, Chicago SO/Ozawa. RCA Gold Seal GL 42704 (£2.49)

Bartok: Piano concertos nos. 1, 2 and 3; Sonata for two pianos and percussion. Stephen Bishop-Kovacevich, LSO and BBC SO/Colin Davis. Martha Argerich, Willy Goudswaard, Michael de Roo. Philips 6768 053 (2-disc box, £5.99)

Schumann: Fantasie op. 17; Fantasiestücke op. 12. Martha Argerich. CBS Masterworks 76713 (£4.39)

Both of these Bartok concerto issues are in fact reissues, but for that none the less welcome—of all Bartok's major works the three piano concertos are still the most oddly neglected, and still somewhat thinly represented in the catalogue (last September the complete British list showed only four performances of the second concerto currently available). It is good to find that Peter Serkin's youthful performances, recorded in 1966 when he was only 19, have stood the test of time so well. I liked them a lot when I heard them first in 1967; and they are as fresh and attractive today. Both are performances full of light and air: the first movement of the first concerto brilliantly figured, weighty without any thickening of attack or texture; the conversations in the slow movement between soloist, percussion and wind beautifully crisp and clean, worked up to a powerful hammer - thrusting central climax: every strand of the finale beautifully threaded, and by Ozawa, at each junction, cunningly knotted.

The tempo of the opening movement of Serkin's third concerto seems at first unusually slow—but the choice is quickly revealed as the only tempo which allows each gesture to breathe: which allows grandeur too, in the big octave theme, as well as powerful delicacy and mystery in the first subject. Almost every pianist and conductor give the slow movement of the third concerto too fast. Ozawa's and Serkin's *andante religioso* is wonderfully spacious—it is indeed one of the very few accounts I know which honours the composer's own very slow metronome marking at a crotchet of 69. The night-music of the trio, unhurriedly *piu mosso*, emerges with wonderful clarity, the colours dark, the contours crystal bright. Delicacy is also the keyboard of the finale—of touch, rhythm, phrasing and timbre. Serkin never substitutes for Bartok's *mezzoforte* and *forte* the more common (but quite mistaken) crackling *fortissimo*. The big handfuls of triplet *piano* chords, usually legato, sound a little surprising as Serkin gives them *staccatissimo*: but in context the effect is imaginative, entirely consistent. The sound-quality, for all its 13 years, is good, and the balance warm and realistic. Highly recommended.

Philips' new two-disc set wraps up all three concertos with the Sonata for two pianos and percussion in a boxed re-issue of performances which appeared separately in 1970, 1976 and 1978. It is a useful collection, at a good bargain price. Bishop-Kovacevich and Davis never offer quite the same tireless accuracy of rhythmic ensemble as Serkin and Ozawa; and I find the playing of slightly less individual character—the illumination is less subtle: the interpretation casts fewer searching, flickering lights. But that is a personal preference. There are many solid virtues, even where they sometimes verge on the stolid: Davis's finale of the first concerto is exciting, full of thunder: and Bishop-Kovacevich's contribution to the outer movement of the second is admirable, incisive. Their third concerto takes an agreeable, moderate view—predictably, their *adagio* unfolds at the more usual metronome crochet tempo of 85-90. Perhaps the set's strongest inducement, price apart, is the splendid account of the Sonata for two pianos and percussion which Bishop Kovacevich recorded with Martha Argerich last year: bright, keen and pungent, splendidly dramatic—alone, even without the concertos, worth your £5.99.

If these records were listed in order of distinction, Martha Argerich's new Schumann recital would stand without question as the head of this review. Of the great C major Fantasie she gives a rich, wild, impulsive, wonderfully poetical account which I recommend without reservation. There is much here that faint hearts may find unorthodox or idiosyncratic: but music-making is no more in essence about orthodoxy than it is about frequency-ranges, or decibels (or indeed, when all the talking is done, about metronomes). Argerich's flights of fantasy are neither affected nor pretentious—they are faces of a single mould: a wholly consistent and deeply touching performance which owes nothing to routine, and embraces joyfully the whole range of Schumann's orchestral keyboard canvas. The CBS sound-quality is excellent, close and warm, except for a number of nasty (and surely avoidable) pre-echoes.

Miles Anderson as Turner

Bristol Old Vic

Destiny by MICHAEL COVENEY

David Edgar's marvellous, panoramic play has been seen at the Aldwych in London, on BBC TV, has even been discussed in weekly journals in the light of Mrs. Thatcher's immigration speeches. It is a complex, vital and brilliantly theatrical work, the sort of play *somebody* had to write in the late 1970s. It was written about four years ago for the Birmingham Rep who refused to stage it. Richard Cottrell's excellent revival, playing to packed and appreciative Bristol audiences, renews a hope that Edgar, Hare, Griffiths, Brenton and the rest will not long remain tolerated tenants of small theatres. The big stage is their rightful territory.

The dramatic binding is the background to a by-election in Taddley, "somewhere near West Bromwich." Dominating the stage is a painting of the suppression of the Indian Mutiny. We start in 1947, the Army clearing out after Independence. The following year, right of entry to Britain was granted to citizens of former colonies. Sergeant Turner returns to prosper in post-war Britain, but is bought out by big business and ends up leading a merger of the Taddley Patriotic Front with a national organisation, Nation Forward. The Indian Khera ("Civis Brittanicus sum") arrives to join the Midlands Asian workforce in a foundry. Both are disenfranchised characters in a confused melting pot.

The play is *not* a tract of any kind. It is Edgar's maturest work to date, interweaving the action with skilful and sympathetic discussions of both the future of a Conservative movement deprived of Empire and the role of a racist party that trades on fear but expresses the will of some people. Powell's 1968 "rivers of blood" speech is shown as a signal for that party to come into the open. In the by-election build-up, the Tory candidate wishes to avoid the topic of race, while his Labour opposite number is drawn into it out of vote-catching expediency. The Tory wins, but Turner easily beats the Liberal into third place, securing 23 per cent of the vote. The play was written before the Stetchford and Ladywood by-elections!

As Turner, Miles Anderson may be less obviously magnetic than was Ian McDiarmid for the RSC, but he is much more an ordinary man in the street and perhaps more sinister for that. The rest of Mr. Cottrell's company lose little by comparison, precise and well-observed contributions coming from Andrew Hilton, Michael Tudor Barnes, June Barrie, David Foxxe, Renu Setna and, especially, Peter Postlethwaite as the Facist with a ruthless eye on the main chance in power politics.

One quibble: Mr. Edgar's writing occasionally slips into grammatical untidiness. Turner, surely, cannot be "suffering a gross deficiency of greed," but suffering from a gross deficiency in greed.

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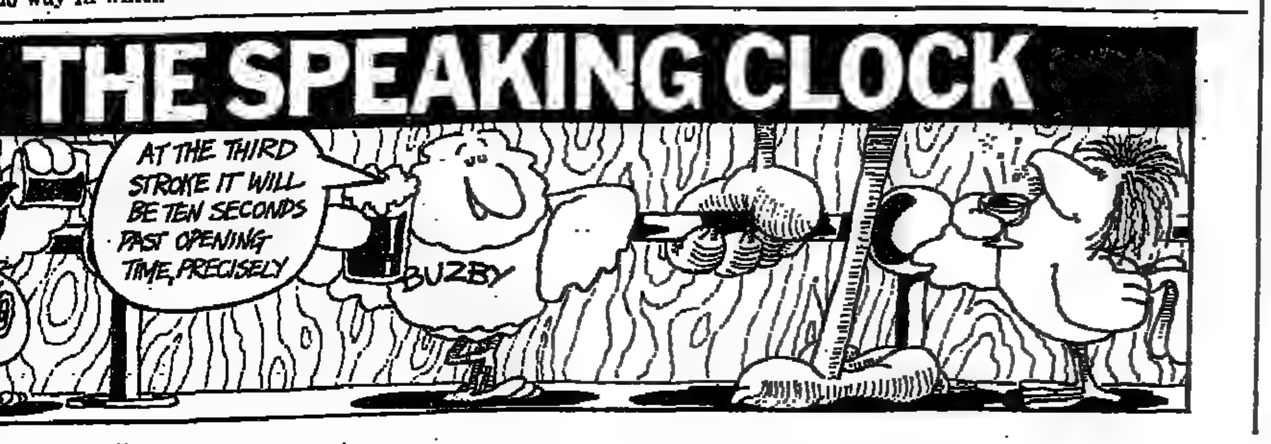

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Thursday March 1 1979

Over-reaction in Arabia

SAUDI ARABIA has evidently been severely rattled by the fighting along the border between North and South Yemen, in the south-west corner of the Arabian peninsula. It has ordered its military personnel to return immediately from leave, has served notice that it may be withdrawing its contingent from the Arab League peacekeeping force in Lebanon, and has made known to the western countries its concern at what it sees as a Soviet-inspired threat to its security.

Ferrocious

For the past six days, fighting, which has erupted intermittently along the mountainous border since last summer, has apparently been ferocious. Each side blames the other for starting it, but the situation now is that a fairly susbtantial area of North Yemen is under the contsol of groups who are opposed to the central government in Sanaa, and who have the political if not the military support of South Yemen whose capital is Aden.

Saudi Arabia regards the fighting as a concerted attempt by the Marxist government in Aden to overthrow the conservative, pro-Saudi government in Sanaa, a regime which Saudi Arabia has supported strongly as a buffer against South Yemen. Behind the conflict it sees the hand of the Soviet Union, its interests strengthened by the fall of the pro-western regime in Iran, encircling the Arabian peninsula through its positions in Afghanistan and Ethiopia.

In the official Saudi mind lurks the spectre of the two Yemens uniting under one left wing government, making a solid block of about 7m people—the largest single population group in Arabia. Saudi Arabia is uneasily aware that its vast land area is very hard to defend, given its small and generally unsophisticated indigenous population—probably not more than 5m—and the delicacy of its immensely valuable oil producing installations.

Inexperienced

In moments of anxiety it regards the 1m Yemeni workers—drawn from both North and South—as a potential fifth column. Though Saudi Arabia has a reasonable effective security service, its armed forces, though numerically the biggest, and the best equipped, in Arabia, are inexperienced and thinly stretched, given the enormous territory they must straddle.

It is very hard to assess exactly how far these fears are justified. In the absence of independent reports from the conflict zone one cannot tell whether what is happening there is a disguised South Yemeni attack on the North or simply an intensification of tribal skirmishing in an area where disidence is endemic and national boundaries count for little. It could be argued that it is in the interests of the Aden Government (and for that matter of the Soviet Union) to put presure on the North Yemeni Government. On the other hand, it could equally be argued that at a time when Saudi Arabia and South Yemen have been seeking rapprochement a military excursion makes little sense. It is even possible that North Yemen provoked the latest fighting, independently of Saudi Arabia, tohead off such a raprochement.

The prospect of the two Yemens uniting under one radical government to form a populous, if penurious, state seems utterly remote. Nor do the 1m Yemenis inside Saudi Arabia form a fifth column in the conventional sense of the word: intelligent and politically aware as they are, they are not integrated into Saudi society

Diplomacy

Nevertheless any pressure on the government of North Yemen poses the risk of a renewal of the civil war which raged from 1962 to 1970 and sucked in other powers. That makes the troubles in South Arabia a potential point of conflict between east and west, and one which the western countries need to watch closely. Indeed the U.S. has already indicated its concern by drawing attention to the arms supplies, paid for by Saudi Arabia, that it has been sending to North Yemen.

In this context the Saudi Arabian reaction may seem understandable at an anxious time. Yet it is questionable how much of a deterrent force Saudi Arabia can really wield, while nervous reactions in tense situatoins tend to be contagious. It might be safer, in the absence of clear information on what is going on in southern Arabia, for the government in Riyadh to remain cool and concentrate its efforts on the diplomatic moves to resolve the conflict, which is to be discussed at a special meeting of the Arab League in Kuwait on Sunday.

The future of London's docks

A DECISION about the future of the Port of London will shortly be back with Government following the unveiling earlier this week of the Port Authority's five-year corporate strategy. Under Government instructions, the options contained in this document have to be discussed with trade unions before a final strategy is selected. The PLA hopes this process can be completed by June. By then, it will be just over one year since Sir John Cuckney, chairman of the PLA, announced the virtual bankruptcy of the undertaking and sought Government support for the closure for at least one of the up-river dock complexes.

Confrontation

The Government refused to back a closure on the grounds that it would cause confrontation with the workforce and because, it was argued, the real problem was to reduce manpower and improve working practices. The size of the port facilities was a secondary matter.

The result was Government provision of £35m to pay for staff severance costs and backing for a £10m loan for the port's general needs. This was to be in return for a loss of 1,500 jobs by mid-1979, of which fewer than 500 have so far been shed. Negotiations on improved working practices have resulted in agreement under one of six headings in what is regarded by management as only the first stage in a process of bringing the port's labour relations into the second half of the 20th century.

In other words, it has been slow progress. Meanwhile, the PLA has had to reduce its trade forecasts for 1983 by 20 to 30 per cent. Throughput at the Upper Docks fell by almost 18 per cent in the first nine months of last year and London's share of UK ports' general cargo traffic fell by 10 per cent. The financial picture is correspondingly serious: a net loss of £17m in 1978, to be reduced to £2.9m by 1983, assuming no dock closures and a reasonable measure of good fortune.

Government's failure

The point is not simply that the 1983 result would be a surplus of £3.4m if the authority were allowed to close one dock. It is that the Government's failure to back the port management's initiative of last year has meant a return to conditions of uncertainty and, to some degree, of apathy. There is no doubt that the chimera of a general election last year was partly to blame.

The position now is that the issue will re-surface in mid-year, probably to be again caught in pre-election timorousness. The chances are that the Government will ignore the fact that its instructions for the Upper Docks to cover their direct costs and for the port to proceed on a planned return to viability have not been adhered to. In short, it will be another year of indecisiveness.

This is bad for the taxpayer, who will very likely be called upon to provide more than the £45m backing announced last year. A Price Waterhouse report to the Government during 1978 put the figure at £60m between 1978 and 1982.

It is also bad for London's East End and the strategy for reviving the docklands area because a question mark will continue to hang over 1,364 acres of prime land; a question mark raised not by the PLA's review but by the inexorable loss of business by the Upper Docks.

In employment terms, 3,500 jobs would be at risk. But the current rate of employment of less than three jobs per acre is hardly a glorious citadel for the unions to defend. Even if, as is quite possible, the PLA wanted to develop new up-river facilities in the future, it would be better able to do it from a fresh base than from the decrepit inheritance it now possesses.

Over capacity

If the case for a prompt rationalisation of the port's facilities exists on local grounds, it is also supported by an analysis of the UK ports industry, which has far too much general cargo capacity already. Other port operators fear, rightly, that any handouts to the PLA will prejudice their own commercial position. It is from all sides an overwhelming case for employment, for docklands redevelopment, for morale and even for the future growth of the up-river port. The Government should have the courage to take the decisions which are urgently necessary.

Haggling while the Middle East boils

BY DAVID LENNON, Tel Aviv Correspondent

THE URGENT need for a peace agreement between Egypt and Israel in the aftermath of the Iranian revolution has hardly been reflected in the behaviour of the two countries in the past few days. With a cavalier disregard for the new realities in the region and the fact that the peace negotiations are on the verge of collapse, both Egypt and Israel rejected President Carter's original invitation to a summit meeting at Camp David this weekend.

President Anwar Sadat said he would not participate in negotiations about minor details in a peace treaty, while Mr. Menahem Begin, the Israeli Prime Minister, said he would not sit down as an equal with a Sadat appointee, even if it was Mr. Mustapha Khalil, the Egyptian Premier.

The American President, apparently less concerned about form than either of the Middle Eastern leaders, has summoned Mr. Begin to Washington today for bilateral discussions about the peace negotiations. He is likely to invite President Sadat or Mr. Khalil to join in the talks if he can see some Israeli willingness to compromise.

The refusal by the Egyptian and Israeli leaders was a setback for President Carter, whose foreign policy is already in considerable disarray. The American leader was entitled to be surprised by their action, especially as both have stated that an agreement was made all the more essential by the defection of Iran from the western camp.

But Washington's inept handling of the Iranian crisis appears to have also shaken the confidence of Egypt and Israel in the resoluteness of America, which is supposed to underpin their proposed agreement.

This is not the first time that the negotiations appeared to have reached total deadlock. Only weeks after President Sadat's taboo-breaking journey to Jerusalem in November 1977, the two sides were at each other's throats, each accusing the other of making outrageous and unacceptable demands.

It took the Camp David summit last September to move the negotiations substantially forward. But in spite of the ensuing "peace is at hand atmosphere", the two sides were back squabbling over details and although they had already made their major concessions they could not conclude the peace treaty.

Subsequent mediating efforts by American officials only underlined the rigidity of both sides on minor, technical issues. They did not even get down to the main issue still separating them, the future of the Palestinians.

Then the revolution in Iran came, bringing with it the downfall of one of America's strongest allies in the region, and a cornerstone in its defence strategy in the Middle East.

The Americans quickly cast about for a new alliance in the area. Egypt, which had long been seeking closer ties with the West, appeared the natural replacement for Iran.

But to make this new arrangement feasible, the Americans needed first to get the negotiations with Israel out of the way. President Carter decided to call the sides back to Camp David. The idea was that Israeli and Egyptian ministers would meet, study new American compromise proposals, and eventually the leaders of Israel and Egypt would come together again to sign the agreement.

Fears of U.S. pressure

But the scenario went wrong. After the five-day preliminary meeting between the Egyptian premier and Moshe Dayan, the Israeli Foreign Minister, it became clear that neither was authorised to make the concessions needed to overcome the remaining points of disagreement.

President Carter then called for a summit meeting with President Sadat and Premier Begin. When the Egyptian leader refused, the American President nonetheless called on Mr. Begin to join with Mr. Khalil in talks. But the Israeli leader was offended that he should be asked to negotiate with Mr. Sadat's subordinate.

He was reinforced by his ministers who felt that he was being asked to Washington to face American pressures to make concessions. They argued that Mr. Khalil was clearly in no position to moderate the Egyptian position. The report which Mr. Dayan brought from Camp David only fed their fears, when it appeared that Egypt had not only made no concessions, but had actually demanded a stronger link between the bilateral treaty and a solution to the Palestinian issue with the backing of the U.S.

The fact that the Egypt-Israel talks have reached this stage of impasse, when both sides have already made their major concessions, is evidence enough that the negotiations were mishandled by all sides.

President Sadat made the mistake of thinking that he would be able to resolve the dispute with Israel in the same way as he would a disagreement with another Arab state. He felt that the traditional gesture of going to your enemy's house was sufficient for a reconciliation to be effected. What he forgot was that the reason the enmity had lasted so long was that not only was Israel a latecomer to the Middle East scene, but it also was an entirely different type of society.

The Israeli error was to quibble over details when it was being offered the one thing it said it had always wanted, recognition by a neighbouring Arab state. Instead of signing a general peace agreement first, and worrying about the details later, it was decided by Mr. Begin, who has a legalistic turn of mind, that he must get all the details worked out before he could give away any of the territory he held as a buffer against attack.

America's mistake was that it failed to use its enormous leverage over Israel, and its potential to help Egypt out of its economic mess, to force the two sides to quicker and more far-reaching compromises. The Americans behaved all along as though they were dealing with two superpowers which had to be handled with great respect because of their might, rather than with one client state, and another crying out to be taken on as a client.

Israel is dependent on American aid to arm its military and to support its economy. It is also totally dependent on American backing in the international arena against the criticism not only of the Arabs and the Communist bloc, but even of basically friendly Western nations which disapprove of Israel's retention of Arab land conquered in the 1967 war.

The emergence in Iran of a Right-wing Islamic regime was a serious blow for Israel. Iran, the only major oil producer willing to sell to Israel, had supplied 60 per cent of its needs. Israel has already been forced to raise the price of oil to consumers by over 30 per cent and there are plans afoot to introduce rationing. This has made Israel tougher on the question of oil supplies from Sinai and added another item to the list of things for which Israel is increasingly dependent on the U.S.

Iran brings new slant

Iran was a sizeable market for Israel, with exporters currently estimating the lost orders in the region of $300m. Many Israeli companies have had to cut back their production plans as a result of the cancelled orders.

This makes a peace agreement all the more desirable, because Egypt could replace at least some of that market. There is also the hope that peace could lead to increased foreign investment in Israel, badly needed in the light of last year's figures which showed a negative balance, with investors taking out more money than they put in.

Israel has also been distressed by the close ties between the new regime in Tehran and the Palestine Liberation Organisation. The emergence of a powerful new ally for the PLO in the region can only stiffen Palestinian insistence on a role in peace talks. It is too early to assess its implications for the military struggle.

The Iranian revolution has also robbed Israel of its key ally on the periphery of the Arab world. This periphery had included Ethiopia, which went into the Soviet orbit last year, and Christian Lebanon, which no longer acts as an Israeli buffer in the Arab world. The only remaining Moslem nation in the region with which Israel maintains contact is Turkey. But to all intents and purposes Israel's capacity to manoeuvre among the non-Arab nations in the region has been reduced almost to zero. This is why it is so important for Israel to make a breakthrough with Egypt.

But yet old suspicions die hard. Israel needs to be forced to accept a settlement, so that if things go wrong later it can point the finger at someone else, in this case the U.S., rather than have to take the blame on itself.

The Americans, who so enormously misread the signs in Iran, also failed to discern these characteristics of Israeli society. They were clear enough. Even on the eve of President Sadat's visit to Jerusalem the Israeli chief of staff had warned that it was a trick designed to cover preparations for a sneak attack.

For 11 years the Americans have been politely asking Israel to evacuate the Arab land it captured in 1967, to no avail. Yet in 1956, President Eisenhower was able to force Israel to quit Sinai without any *quid pro quo* by the simple use of threats. Today the U.S. has far greater power over the life of Israel than it had then.

It appears that the Israeli Cabinet will always reject anything short of a perfect solution as long as it is given the option. America now faces the option of making Israel an offer it cannot refuse by threatening to cut off aid unless it agrees to compromise.

The key issue is the future of the Palestinians. As long as this remains a festering sore in the region, there can be no Arab-Israel peace. The passage of time and the failure to destroy Israel have brought many Arabs to realise that the Palestinian question can be settled in the framework of a Palestinian state on the West Bank and in the Gaza Strip. No one is happy with this solution, but it is a marked improvement on the present situation, and everyone can hope for more at some time in the future, when nationalisms may give way to regional unions.

Israel, too, has come a long way on this issue, from Mrs. Golda Meir's declaration in the late 1960s that there are "no Palestinians" to Mr. Moshe Dayan's statement a few weeks ago that the Palestinian Liberation Organisation represents not only terrorists but also civilians.

None of the Israeli moves came voluntarily, but were forced on the country by events, the key one being the Israeli agreement at the first Camp David meeting to sign a document referring to the legitimate rights of the Palestinians, something which preceding governments had refused to countenance. The next stage apparently will be to force the Begin government, or its successor, to acknowledge that the creation of a Palestinian state is the only way that the issue can be resolved.

The question now facing the Carter Administration is whether it has the will to take the necessary action, and to decide how to handle the next round of Egypt-Israel negotiations. The President appears to be on the right track by bringing Mr. Begin to Washington. Now Mr. Carter must tell him in plain language that Israel is in no position to let the peace deal fall through.

The reality is that all parties to the talks want them to succeed. President Carter badly needs a foreign policy success to offset the debacle of Iran, and other setbacks.

Mr. Begin's Government has so badly mishandled the economy letting inflation run wild, that its only hope of winning re-election is to chalk up the major achievement of a peace treaty. Without that it is far from certain that the coalition will survive the two-and-a-half years before the next scheduled general elections.

Islamic fervour worries

For President Sadat, the completion of a treaty will free him to concentrate on the other issues which are already seen by him as of greater concern: putting the economy on the road towards recovery, and combating the Soviet encroachments in the region, with American military assistance.

All three also feel threatened by the rise of Islamic fervour in Iran and its possible repercussions for the region. America fears it could spread to Turkey and other states, as well as undermining Saudi Arabia and the Gulf oil states. For Mr. Sadat it means he has to keep a close watch on the Moslem Brotherhood, a Right-wing religious movement, which has always had some following in Egypt.

For Israel it means that its struggle which started as a conflict with the Palestinians, and then became an Israel-Arab dispute, could yet become an Israel-Moslem struggle, something which can hardly bode well for the future.

In additon to all these troubles, Israel is facing a growing threat from within its own borders. The Palestinians living on the occupied West Bank and Gaza Strip are more active than ever in guerrilla actions. In addition, the 500,000 Arabs who have lived under Israeli rule since the state was created in 1948 have begun openly announcing their support for the PLO, and their belief that a Palestinian state must be established, and that their future should be considered in this context.

This is the clearest proof yet that Israel's position in the region is deteriorating and that those within Israel who argue that time is not on its side are more realistic than those who insist that Israel is strong enough to dictate the terms of a settlement.

The saddest aspect of all the recent events surrounding the Egypt-Israel negotiations is that the goodwill and joy which erupted in the region in the wake of the Sadat journey to Jerusalem has been smothered in the haggling about minute points. Today the atmosphere is soured so that even if a treaty is signed, there still remain the lingering suspicions and mistrust which had been swept aside during those heady days in November 1977 and again in September last year after the Camp David summit.

But even a grudging peace agreement is preferable to an abandonment of the peace process, which is one of the few points of light in the gathering darkness of the region. If the President of Egypt is forced to admit that his peace initiative has failed, there is no course left but a slide into a new, and more devastating Middle East war which no side would win, except the forces of the extreme Left which believe that a catastrophe is needed before a new order can emerge in the region.

THE CAMP DAVID AGREEMENTS

Two documents signed at the White House by President Anwar Sadat and Prime Minister Menachem Begin on September 17, 1978:—

(i) a framework for peace in the Middle East.
An attempt to define the basis for peace between Israel and its Arab neighbours within the framework of UN resolutions 242 and 338.
Israeli government to be phased out over five years in the West Bank and the Gaza Strip and to be replaced by a negotiated "self-governing authority."

(ii) a framework for the conclusion of a peace treaty between Egypt and Israel
The withdrawal of Israeli forces from Sinai, and specific security arrangements.
After the signing of a treaty the establishment of full diplomatic relations.

PROBLEMS OF THE AGREEMENTS

(i) Lack of linkage between the two "frameworks," making the enactment of the "framework" involving bilateral relations between Egypt and Israel dependent on progress with the "framework" concerned with the West Bank and the Gaza Strip.

(ii) The question, which emerged after Camp David I, of whether a bilateral Egypt-Israel agreement should take precedence over defence commitments between Egypt and other Arab states.

(iii) The generally broad terms in which the two "frameworks" were expressed and defined. In particular, lack of specific detail on the future of the Palestinians in the Israeli-occupied Arab territories.

CONCESSIONS

* Very few made, particularly on the Israeli side. President Sadat's position has been made difficult by increasing Arab criticism, and the uncertainties caused by the revolution in Iran.

MEN AND MATTERS

Colonel's bogy on the Border

Colonel "Jim" Small, owner of a newspaper group with headquarters in Berwick, must now be regretting his dash across the Boarder to stop his weekly Hawick Express "on the run." The latest edition, out yesterday, contained a "Vote No!" exhortation to readers. That was on the front page, but inside someone had inserted a message of a different flavour, telling the citizens of Hawick to "follow the dictates of their consciences" on devolution.

The colonel hastened to the printing works, had what was already run off destroyed, and ordered a re-print without the alternative viewpoint. But news will out, and yesterday he was enduring a great deal of harassment from the Scottish media. Rumours have it that everyone in the printing works was searched to ensure that none of the offending copies got out.

"Nothing like that happened," says Smail hotly. But emotions were certainly running high yesterday: when I tried to telephone one of the editorial staff, the switchboard said it was forbidden to put me through. Eventually one journalist ("please do not mention my name") said there was resentment that only one point of view was allowed during the campaign.

The colonel certainly has his own views clear on devolution, and "likes to consider himself a friend of Lord Home," who lives in the neighbourhood. Home has been Scotland's most influential voice for a No vote.

"And all those who subsidise her."

Too sensitive

Roy Jenkins and his colleagues at the EEC commission have kept proclaiming the importance of next June's direct elections to the European Parliament. But now they must be wondering whether their efforts to stir up the voters' interest are worth all the trouble.

First, there was the embarrassment of the recent opinion poll conducted by the commission's own experts, forecasting big gains by the socialists in the Euro-elections. At the French government's insistence Jenkins and his fellow-commissioners decided not to publish the findings; but they leaked out anyway.

Now the Commision is once again in hot water with the French, over a brochure issued by the EEC's London office to "sensitize" public opinion to direct elections.

A chapter about the European Parliament's defence of human rights describes its protests against political repression in the Soviet Union, Chile, and Franco's Spain. Then the brochure recalls with pride how the Parliament successfully urged French authorities three years ago to release a Breton separatist leader detained without charges after a rash of political bombings.

If you ask the EEC's London office for the publication—of which 50,000 copies were printed—you will have no luck. It has been withdrawn from circulation because France's ambassador to Britain, Jean Sauvagnargues, was understandably outraged. His complaint, moreover, was followed by a stiff letter to Jenkins from Jean Francois-Poncet, the French Foreign Minister.

Even though the European Parliament, not the Commission, was responsible for the booklet, Jenkins has despatched a grovelling apology to Paris. The London office is less voluble. "We have no comment to make," I was told.

Untapped sources

While brokers anxious to lend money to the Government fought it out in unlikely scenes on the third floor of the Bank of England last week, in the Bank's seven provincial offices, from Southampton to Newcastle, all was still as the grave. "On a new loan day we open our doors," an official in Birmingham told me. "Normally what happens is, obviously, nothing—till we are told the application lists have been closed." Last week interest was not quite nil, but no more than a handful of applicants came in.

"We have always accepted applications in the provincial branches," Threadneedle Street told me cagily. "But it is a service which has never been advertised. . . . The Bank takes the view that it is a service which could be withdrawn at any time."

Dreams of avarice

Estimates of the ex-Shah of Iran's wealth became wilder by the minute. Unbiased observers take with a pinch of salt, for example, suggestions that the entire plumbing of the Shah's private Boeing 707, recently flown back to Tehran from Morocco, was made of gold, and the plane altogether worth £22m.

In the last months of his rule according to a new statement from the Iranian Minister of Justice, Assodolah Mobasheri, the Shah sent £10.5bn to Switzerland, more than the combined GNP of the world's 21 poorest countries.

The Justice Minister's statement assures the world that "irrefutable proof" will soon be made public, proving the guilt of the Shah and his accomplices.

On the level of rhetoric, none of this is of great import. But the Swiss have been alarmed by demands that they freeze all the Shah's assets.

While stalling on what they do next, the authorities do not care to risk any retribution the Ayatollah might inflict on them: the embassy in Tehran has been asked to reassure the regime that the Swiss are "not currently in touch with the Shah."

Andorra replies

Followers of this column will recall occasional reports of odd happenings in Andorra. Yesterday there was consternation at the appearance of an official-looking letter bearing the Andorra crest and the legend "Sindicat d'Initiativa de les Valls d'Andorra." Was it retribution at last? was my colleague B. R. Ackenhouse, who occasionally visits those parts, about to be declared a prohibited immigrant?

But the letter was genial. Maria Rosa Picart de Francis, from the Andorran delegation in London (S.W.18, to be precise), even passes on from the Principality a joke about Britain. It is obviously one the Andorrans have been relishing since before the days when Chancellor Jim Callaghan ravaged our currency.

It tells of the forger of half-crowns who admitted to a friend that the cost of producing each coin, with the correct silver content and care for detail, was 2s 8d. "How do you make a profit?" ased the friend. "That's quite easy," said the forger, "I fiddle the books."

The Andorran delegation adds its own footnote: "Quite a topical joke, we thought." They said more, but thought better of it, and snipped out the rest with scissors.

Observer

Congratulations to Sir John Mills for keeping his name up in lights for 50 years.

ECONOMIC VIEWPOINT

Sterling: the 'problems of success'

A MONTH ago, people were talking about the end of British civilisation as we know it. Rats had been spotted in Belgravia; and there were predictions of a return to the 20 to 30 per cent inflation of 1975. Senior civil servants doubted if the Government could survive this winter. Now the main problem seems to be the embarrassing strength of sterling. What has changed?

In the main the change has been one of the notorious swings from hysteria to complacency. These have long been a feature of the British metropolitan scene. But the swings seem to be getting faster and their amplitude larger. I did not comment personally on the rats; but I reported in a Lombard column of January 22 that private sector wage settlements notified to the CBI Data Bank averaged just below 10 per cent, including the productivity element; and that earnings forecasts (which allowed for drift) were in the 11-15 per cent range, or slightly less than in the last round.

One fact, overlooked in all the furore, was that pay policy was already crumbling in the private sector when the unions refused to accept Stage Three in 1977-78 and when earnings started accelerating again. The gradual disintegration of pay policy over two years has helped defuse the pay bombshell which normally follows a period of control.

Monetary policy and the Chancellor's oft repeated determination to keep his borrowing requirement down to £8½bn explain why the pound did not fall as some had feared. But it hardly explains the remarkable upsurge in the last three weeks.

The main reason for the unexpected upsurge in sterling has been the setback to the dollar and the world oil troubles—both of course closely related. The UK should be nearly 90 per cent self-sufficient in oil this year, 6 per cent in surplus in 1980 and 20 per cent in surplus by 1982. However, one discounts the precise percentages, these are the trends. The worst aspect of the Iranian troubles is not the spasmodic physical shortages of oil, but the likely increase in the semi-cartelised price set for that commodity. This "benefits" sterling in several ways. The resulting increase in the import bill of countries such as the U.S., Japan and Germany is much higher than for the UK, thus boosting sterling against their currencies. The value of Britain's expected surpluses in the 1980s is also enhanced.

Moreover the current surplus of the oil-producing countries, which the OECD originally expected to be £7¼bn this year, could easily be three or four times that figure. Every 10 per cent addition to the oil price adds about $12-14bn a year to the OPEC surplus. That surplus will have to be invested somewhere. It does not look like being America.

But surely a higher dollar price of oil cannot be good for world inflation? Nor can the sharp rise in metal prices?

The oil and commodity price changes will probably boost both the world price level and world unemployment, at least for a time. But there are considerable lags. Moreover the rise in the pound reduces the impact in Britain of rising world prices. So here are two effects working in opposite directions.

Are you saying that Britain's problems are now only those of success?

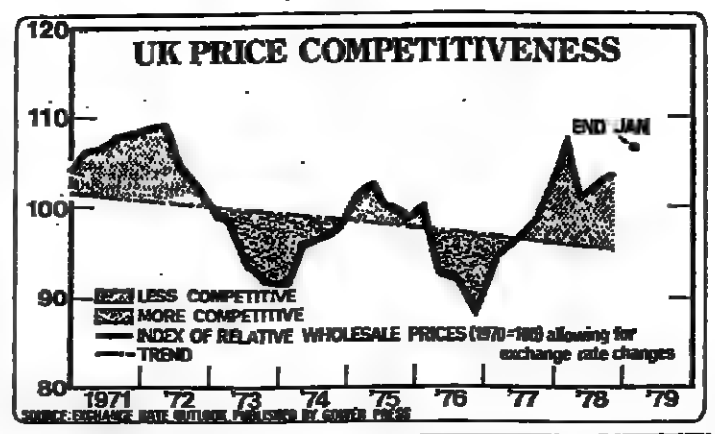
It is success with a nasty underside. The problems are in some ways worse than in 1977 when the British authorities were forced by market pressures to "uncap" sterling. So far the size of the inflows is not yet on the 1977 scale. But they are mounting in that direction and will not be reflected anything like fully in the February reserves figures, which can be given cosmetic treatment. It is hardly possible to go into the City without hearing of inquiries for British securities from some fresh group of Middle Eastern or Asian interests.

But the big difference is in the price competitiveness of British goods. As the chart shows, UK wholesale prices at the end of January were much less competitive than before the previous sterling upsurge of 1977. Last year wages rose by 14 per cent and prices by 8 per cent; there is a limit to the number of times this can happen without something snapping.

The London Business School is predicting in its *Economic Outlook* scarcely any rise in non-North Sea corporate profits this year and next even on the assumption of a 3½ per cent annual *depreciation* of sterling, coupled with a 13 per cent rise in earnings. What can be expected if sterling actually appreciates?

But if this were all, wages would eventually adjust and inflation would come down — perhaps much sooner than some people think. (Such is the implication of an important article by Michael Beenstock, courageously inserted in the *Economic Outlook*, an article which casts doubt on the logic of virtualy all forecasting models which attempt to predict real variables).

The true problem is that of the "Dutch disease" about which a few of us were writing two years ago. It is that North Sea oil leads to an overseas balance with a deficit on non-oil account and a low level of export profitability. This is not a monetary matter at all and is so whether the balance is achieved at a high or low inflation or exchange rate. If North Sea oil were here for ever there would be no need to worry. We should just adapt ourselves to better terms of trade, more consumption and less investment in traded goods. The problem is the absence of an insurance policy for the time when the oil dries up; and here is the grain of truth in all the arguments about "de-industrialisation."



SOURCE: EXCHANGE RATE OUTLOOK PUBLISHED BY GOWER PRESS

NORTH SEA OIL: ECONOMIC EFFECTS ON UK

	1978	1979	1980	1981	1982
Oil Consumption (m tonnes)	83	90	94	98	104
North Sea Oil Output (m tonnes)	53	79	100	115	125
Effect upon (£b):					
Balance of payments (current account)	2.2	3.8	5.7	8.0	9.9
Visible account	3.0	5.1	7.5	9.6	11.4
Exports	1.2	2.0	3.0	3.8	4.6
Import saving	1.8	3.1	4.5	5.8	6.8
Invisible account	−0.8	−1.3	−1.8	−1.6	−1.5
Borrowing Requirement	−0.4	−1.5	−2.5	−3.4	−5.0
Gross Company Profits	2.6	4.6	6.7	8.6	10.1

Source: Economic Outlook, February 1979, London Business School

What are the options open to the British authorities?

First, they can intervene by buying up other currencies in the market. Second, they can discourage overseas inflows by trying to push interest rates down further than they would fall naturally. Both methods involve increasing the money supply. The planned increase in corporate borrowing in the middle of this year is larger than realised.

Thirdly, the authorities can, as in 1971, add inward to outward exchange controls. Here is the ultimate in absurdity which would, incidentally, present handsome speculative profits to external buyers of short-term gilts who have been gambling on the prohibition of further purchases.

Fourthly, the Government can repay official overseas debt ahead of time. To call this "boring" or "characteristic Bank of England advice" is not a sufficient rebuttal. The point is that a sensible repayment profile has now been established for this debt. The question is: Do we receive a better rate of return from saving the dollar-denominated interest on official borrowing or from more private overseas investment?

Fifthly, the authorities can phase out exchange control—a war-time emergency measure that we have had for 40 years. Relaxation on portfolio investments would lead to the acquisition of income-earning assets. Liberalisation of direct overseas investment would not so much increase its total as shift some of its finance from overseas to London. In both cases the exchange rate would be more competitive relative to any given level of domestic cost.

But would not more overseas investment hit domestic investment and employment? Can you see a Labour Government agreeing to it?

The very posing of the question betrays what Mr. John Forsyth of Morgan Grenfell has christened the "lump of investment" fallacy. This is the view that there is a fixed total of investment, and the more that is done overseas the less there is available at home.

On the contrary anything which encourages a flow of long-term funds across the exchanges creates at the same time a capital account deficit, a lower real exchange rate and eventually a current account surplus. All these things together increase profitability at home.

If you are an unreconstructed Keynesian and take literally the unemployment and unused capacity figures, you will believe that the extra investment can come out of a higher level of activity and cost us nothing. Those of us who think that we are much nearer to capacity limits believe that the investment would have to be paid for through a lower growth of consumption, whether private or government. Either way, domestic and overseas investments are complementary, not competitive.

Then why are so many official advisers hostile to an exchange control move?

They occasionally say that a change of government would be required. But I don't believe it for a second. If a forceful argument were presented by a united team of top officials explaining why exchange control relaxations would mean more jobs and more investment, Mr. Healey would leap at it; and Mr. Callaghan and Mr. Len Murray would accept as well. The real worry of officials is that they have become so used to a weak pound as a natural state of affairs that they are reluctant to jettison any prop, which they fear they will need before very long.

Can you be sure they are wrong?

If I could forecast exchange rates better than the forward market I would not be writing for a living. But a currency relying on exchange rate props is less attractive to hold than one free to stand on its own feet. Piecemeal and reversible changes are all the same possible before dismantling the whole system.

The Institute of Economic Affairs has just published a very useful guide "*Exchange Control Forever*" by R. Miller and J. B. Wood which lists, among many other things, recent major changes in the UK controls. One example is the "super criterion" under which 50 per cent of foreign exchange is available, without paying the investment currency premium, for projects which pay for themselves in foreign currency in 18 months. For the EEC the period has been raised to three years.

But would not such steps be inflationary?

Yes, in a limited way. Anything which allows the exchange rate to fall, or which discourages it from rising, raises the UK price level. But so long as the money supply is controlled, such a rise could not possibly trigger off a runaway or even major inflation.

Maximum short-term reduction of inflation is not the-be-all-and-end-all of policy. The present strength of sterling is being achieved at the expense of a squeeze on profits, investment and future jobs. I am sure that in his commendable desire not to be another Hugh Dalton, Mr. Healey would not want to fall into the trap of being a Philip Snowden instead. The way to avoid the latter fate is not to present a cosmetic budget, looking tougher than it is, nor to raise revenue by the backdoor of the national insurance contribution but by phasing out exchange controls.

But you basically believe in clean floating. What would you advise a country with a large but temporary import saving resource to do, if it did not have exchange control at the outset?

An all-wise government might offer incentives for private overseas investment or even start its own portfolio. But I suspect that in free market conditions private investors would do this without prompting, as I believe is already happening in the Netherlands.

Samuel Brittan

Letters to the Editor

Liberals in Europe

From Mr. P. Hawkins, MP

Sir,—Mr. Peter Eastons (Feb. 23) will not, I hope, mislead your readers into thinking that the name Liberal means the same thing in every country. Certainly they do not in many cases have the same view point as our own Liberals — thank goodness! Even Mr. Easton will have to admit that the Australian Liberal Party—the Government—is of course an out and out Conservative Party.

So far as Europe is concerned the majority of the Liberal Parties are — from my experience of 3 years in the Council of Europe—middle of the road "conservatives"; some being right of several of my colleagues. Certainly they would never have agreed to keep in office the sort of Socialist Government we have had here!

But then as I have tried to make clear, Liberals in this country are very different to those "abroad". I must say I greatly prefer the latter.

Paul Hawkins,
House of Commons,
SW1.

Devolution rules

From Mr. A. Finlay.

Sir—Mr. Cunnningham (February 27) may find it possible to explain away the seemingly low vote for his 40 per cent amendment to the Scotland Act in the House of Commons, but has he considered the effect of such a rule on the result of his election in Islington, South and Finsbury? Despite a majority of more than 40 per cent over the Conservative runner-up in October, 1974, he would not have been elected to the House of Commons!

Alan Finlay,
23 Foscote Road, Hendon, NW4.

Exhorbitant increase

From the Chairman,
F. Walkley (Clogs)

Sir,—We use a small quantity of rubber solution necessitating a licence under the Petroleum (Regulation) Acts, 1928 and 1936, and for which we have paid £1 annually. We are now advised by the Fire Service Department that this has risen from £1 to £10 in Statutory Instrument, 1978, No. 635. Will someone please attempt to justify this apparently exorbitant increase?

F. Walkley (Clogs).
Common Road,
Birkby,
Huddersfield.

Arguments on risks

From the Company Safety Adviser (Chemical Substances), Hoechst-UK.

Sir,—On February 23, Adrian Dicks reviewed the German book, "Seveso Ist Uberall." His article appears to be an unbiased view of a publication which took Germany by storm last October.

I would like to draw to your attention and to your readers' the fact that the German chemical industries association (Verband der Chemische Industrie) thought that the book was far from being unbiased and they were so concerned about the inaccuracies in the documented information that they printed a counter-publication, called "Seveso Ist Nicht Uberall," in December, 1978. The VCI evidence was compiled by the technical experts of 27 leading German chemical manufacturers who had some personal involvement in the areas referred to. This VCI work details over 160 major corrections to the harmful accusations of the earlier book, with full documented evidence. However, I doubt if "Seveso Ist Nicht Uberall" will become a best seller, as it lacks the sensationalism of the original.

W. E. Huddart.
Hoechst House,
Salisbury Road,
Hounslow, Middlesex.

Aberdour and Dalgety Bay

From the Secretary,
Aberdour and Dalgety Bay Joint Action Group

Sir,—I have been asked to convey to you the disappointment felt by many in both townships on reading your article "Waiting for MossMorran" (February 21) which demonstrates a bias against democratic processes by objectors trying to protect their homes and families.

The more sensitive were unhappy at the description of our campaign as "skilful and articulate" and the Oxford dictionary does not entirely dispel the apprehension that we were being described as "sharp."

We fail to see any irony in the fact that Shell and Esso (who should know by now how unsafe their plants can be after their modern installations at Qatar and AbQaiq were utterly destroyed recently) should meet opposition when they try to build a similar construction incorporating new and wholly untried "improvements," less than one mile from two townships with a total population of over 6,000.

Your correspondent writes of "events, some tragic, some farcical" following the inquiry. Was the taking of the Secretary of State for Scotland to Court and winning our case tragic? Or was it farcical? To denigrate and belittle the efforts of residents' associations in the face of corporate bull-dozing and official indifference, is poor journalism.

References to our activities are sandwiched between towering statements about the importance and magnitude of this whole proposal, leaving readers with the (very erroneous) impression that we are opposing progress. Our members include highly qualified and technical persons, many of whose efforts have been and are geared to the development of this country and who have already made significant contributions in the employment of local labour.

The article goes on to state that we have refused "to accept evidence presented by Shell, Esso, Esso Chemicals, the Health and Safety Executive and various engineering consultants." Pretty sweeping, but we plead guilty in this case. Why? The oil companies have talked repeatedly about "non-credible events," but these assurances have come home to roost in the plethora of tanker groundings, collisions and sinkings over the past two years.

It was stated at the public inquiry that the maximum anticipated spill/leak would be only five tons, whereas the Canvey Island report (done subsequently at a cost of over £400,000) revealed that spills of 1,000 tons are "credible." Had liquid energy gas been involved in either the accident at Sullom Voe or the tragedy of Bantry Bay, the holocaust—so long predicted by independent experts—would have occurred. The HSE has already been the subject of swingeing criticism in the House of Commons in connection with Canvey Island, where the hazards are similar (though not of such magnitude) to those proposed for Braefoot Bay.

Very significantly, your correspondent omitted to reveal that we had an assessment of hazard done for this area based on the Canvey report, which assessment indicated a level of risk to Aberdour and Dalgety Bay more than 1,000 times greater than the level laid down by the reporter in his findings after the 1977 public inquiry (which is the level of safety achieved at atomic power stations). Then at considerable expense, we had the assessment reviewed by Dr. J. H. Burgoyne and Partners, consultant scientists and engineers of international repute. A copy of this assessment and review has been in your hands for a month now and you can satisfy yourself that the review states "clearly on this criterion the preliminary estimates indicate an unacceptable risk and justify more detailed studies." Surely all this is justification for us not accepting evidence from the sources listed by your correspondent.

The closing sentence of the article seems bent on putting on our shoulders the responsibility for Fife losing its last chance of attracting major petrochemical developments. But where is Esso's commitment, repeatedly delayed and finally promised by the end of 1978? How realistic is an assurance of a decision six months after approval for the scheme is granted? By then £100m (or so) will have been spent, so if they say "No," will all that be abandoned? In the final analysis, it all goes back to the statement of the Scottish Development Department on behalf of the Secretary of State for Scotland on March 29, 1978 . . . "Considerations of public safety would automatically rule out the developments if it were shown that they would give rise to an unacceptable level of hazard."

W. B. Gray.
8 Seaside Place,
Aberdour,
Fife.

Providing services

From Mr. T. Arthur

Sir,—I was pleased to read (Leader, February 22) your suggestion that private sector provision of many services currently in the public sector could dramatically increase efficiency. But surely we have had enough "study" of this problem to warrant real experimentation. Studies are no substitute for the real thing. For example, the increases of 10-40 per cent suggested by the study you cite look rather silly beside the several hundred per cent increase in productivity reputedly achieved by the working example of Disney World in Florida.

Thank you also for pointing out that comparability studies on pay are meaningless without a yardstick of output. (To call them "bribery" is surely prejudicing the outcome, for perhaps the proposed comparability study will point to a large drop in public sector wages!)

Your courage evaporates, however, when you say that there remain some services, concerned with law and order, health, etc. "whose output cannot be measured." This statement and its implication that they must remain in the public sector are astounding for a number of reasons.

If we literally have no idea whatsoever of output, then we should stop these services forthwith—perhaps their output is nil in which case we are wasting scarce resources. I suspect that you mean output cannot be measured accurately. But this is an argument for a switch to the private sector, where output can be measured. The whole economic point about a market society is that it enables economic calculations to be made and hence resources to be allocated correctly. A voucher system, coupled with full covering of costs and profits by prices (whether the provision of services is in the public or private sector) would be a great help in this area.

Although measurement of output is difficult and misleading, there are very many proxies which are available and which would throw plenty of light on the matter. In all official publications regarding such matters as redistribution of income, the output is arrogantly considered to be equal to input and distributed pro rata among the population. This is plainly circular and far better measures exist—for example, the subjective opinions of consumers. Few would suggest that over the past 15 years output of the NHS has trebled in real terms, yet this is the position on input, with health and personal social services now costing some £3.50 a week in respect of each man, woman and child in the UK. Is it not time to say "Enough is enough?"

T. G. Arthur.
3, Yateley Road,
Edgbaston,
Birmingham.

Essential workers

From the Director,
Centre for Innovation and Productivity,
Sheffield City Polytechnic.

Sir,—Mr. G. E. Colthorpe (February 23) presents some emotive but fallacious arguments in comparing the subsidies to farming and British Leyland. The working hours of farm workers and car workers have nothing to do with the need for subsidy. More important, his comparisons between pre-war and present prices ignores the effect of subsidies on the price of milk and the effect of VAT and car tax on the price of cars.

Although I have strongly criticised performance and productivity in the motor vehicle industry, nobody, as far as I know, has calculated and compared the present subsidies and cheap loans to Leyland, Chrysler and Ford with the vast sums collected in purchase tax, VAT and car tax over the last 30 years. Some people might argue that if the car industry had been allowed to invest the money syphoned off in tax, it might not now need subsidies.

My vote, however, goes to the farmers. Most international comparisons of performance praise British agriculture, reputedly with the highest output per man in the world, whereas British motor vehicle manufacturers languish near the bottom of the league tables.

The right reply to Mr. Kovach (February 16) is that not all subsidies are a sign of inefficiency. Economic history shows that in most industries, to begin with, the added value per head comfortably exceeds the average wage/salary, yielding high profits. Then prices fall and wages rise until the profits turn into losses. In the 19th century fortunes were made in coal mines, railways, steel, cotton textiles and shipbuilding but most of yesterday's industries now have to be subsidised. Agriculture predates industry so it is not surprising to see it subsidised.

The simple truth is that profit is no longer a good yardstick of performance. Added value is a better measure but far from perfect especially with the maze of subsidies, taxes, grants and levies that distort the figures. We need to simplify the problems to sort them out. Come back, Adam Smith, all is forgiven.

E. G. Wood.
Halfords House,
16 Fitzalan Square, Sheffield.

Changing money

From Mr. E. Knight

Sir,—Has the time not come for some rationalisation of British coinage? In this inflationary day and age, as the value of the loose change in our pockets declines, its relative weight increases. A "ten pence" coin weighs just over 11 grammes; the Swiss have a half-franc coin weighing only one fifth and worth about one and a half times as much. Strangely enough, the Swiss also produce a SwFr 1000 note (now worth about £300) which makes our own £20 notes look rather small.

It took the Romans a long time and the pressures of the first Punic War to give up the heavy bronze *aes grave* in favour of silver, universally used in Greece and Southern Italy. As yet, we don't need to use a cart to move our "coppers" around, as they did; but what will it take for our pockets to be relieved?

Eric Knight.
Corpus Christi College,
Cambridge.

Beating the bureaucrats

From Mr. A. Berger

Sir,—I was very interested to note that of the 40 or so advertisements that appeared in your property pages on Friday last, not one quoted the floor areas of the properties involved in metric terms. I suggest this proves that the power of the public themselves can still override the bureaucrats, and suggest that it would be a very good thing if the public demonstrated this power more often.

Albert E. Berger
64-65, Grosvenor Street, W1.

Today's Events

GENERAL

UK: Devolution referendum polling day in Scotland and Wales.

By-elections at Knutsford and Clitheroe.

Steel industry pay talks resume.

British Railways Board expected to meet on unions' pay claim.

Industrial coal price increase by about 9 per cent.

Shipping lines in Far East Freight Conference raise rates by 8 per cent.

Lord Mayor of London presides at Court of Common Council, Guildhall.

Overseas: Mr. Menahem Begin, Israeli Prime Minister, in Washington at invitation from President Carter for consultation on Middle East.

Embassy status for U.S. Liaison Office in Peking.

General elections in Spain.

Federal Constitutional Court in Karlsruhe, West Germany, to rule on constitutional validity of 1976 worker participation Act.

International Energy Agency starts two-day meeting on world energy problems, Paris.

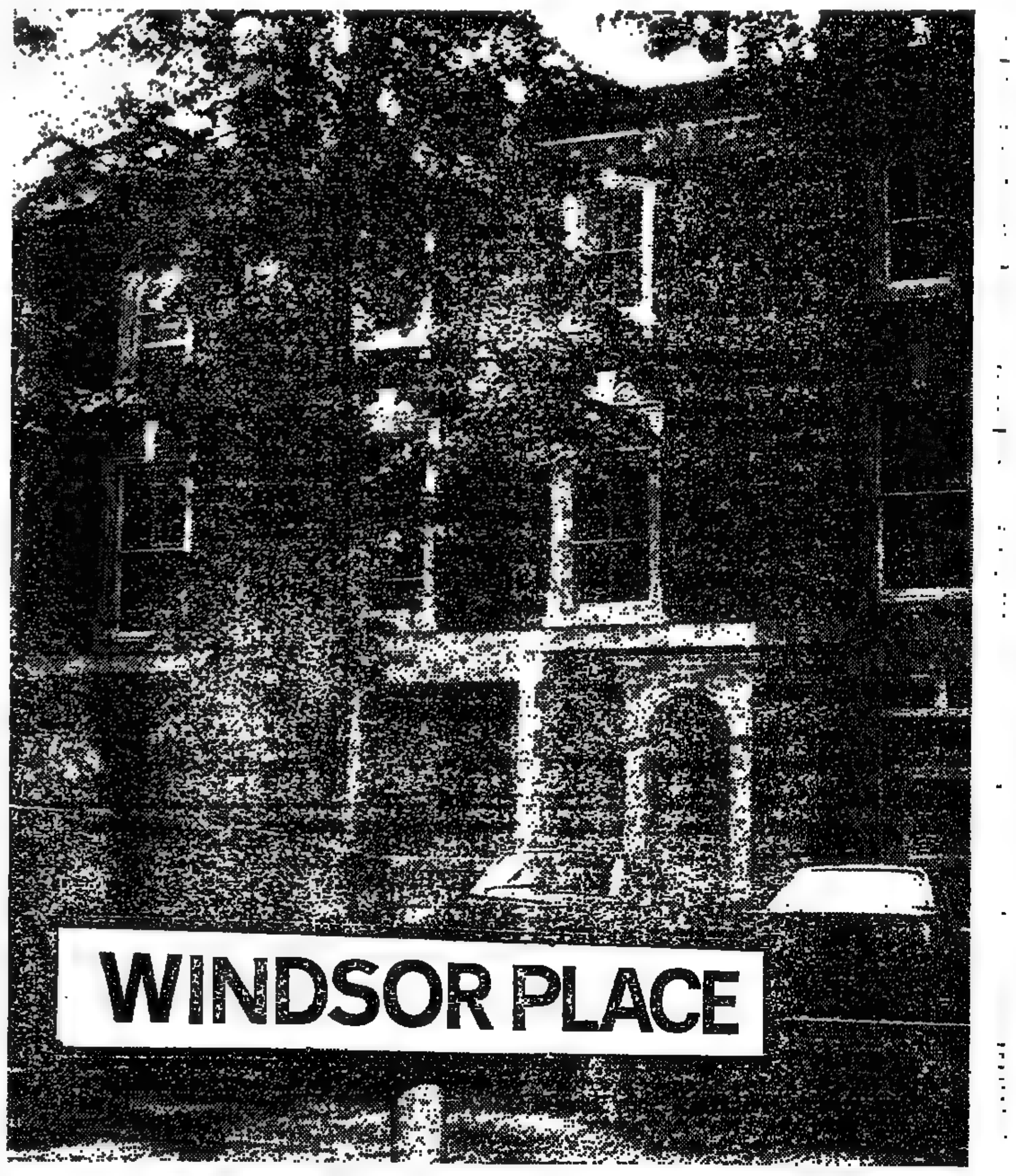
Swedish Parliament debates ban on Swedish companies investing in South Africa and Namibia.

COMPANY RESULTS

Final dividends: Allen Harvey and Ross. Alliance Trust. Associated Fisheries. Ratcliffs (Great Bridge). Rentokil Group. Royal Insurance. Interim dividends: Diploma. EMI. Thomas Walker.

COMPANY MEETINGS

Birmingham Pallet, 75, Harborne Road, Birmingham, 12. Braid Group, Adelphi Hotel, Liverpool, 12.15. Johnson and Barnes, Derby Road, Stapleford, Nottingham, 12. Norfolk Capital, Norfolk Hotel, Harrington Road, S.W., 11. Vectis Stone, Unity Hall, Newport, Isle of Wight, 12.15.



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BOC profits expand to £14.3m in first quarter

WITH group sales increasing by 8.8 per cent to £302.9m, taxable profit of BOC International advanced 32.4 per cent from £10.8m to £14.3m in the three months to December 31, 1978.

Operating costs rose by 8.2 per cent to £258m with trading profit up by 5.6 per cent to £26.3m.

Earnings per share on a nil distribution basis are stated to be up from 0.95p per 25p share to 2.20p and on a net basis (after ACT written off) up from 0.95p to 1.72p.

	Three months 1978 £m	1977 £m	Year 1977-78 £m
Sales	302.9	278.3	1,196.1
Operat'g costs	258.0	238.5	1,019.5
Depreciation	19.9	15.8	64.4
Assoc. profits	1.3	0.8	3.6
Trading profit	26.3	24.9	115.8
Europe	5.5	1.8	26.0
Africa	3.4	3.7	15.5
Americas	12.0	14.2	49.1
Asia	0.4	0.9	4.1
Pacific	5.0	4.5	21.1
Airco adjust.	—	10.2	18.4
Interest	12.0	3.3	30.9
Profit bef. tax	14.3	10.6	66.5
Tax	7.0	6.1	30.8
Net profit	7.3	4.7	35.7
Minorities	1.7	1.6	8.5
Available	5.6	3.1	27.2

The directors say that although Airco did not become a subsidiary until April 1, 1978, the comparative figures for group sales and trading profit have been adjusted to include 100 per cent or Airco.

The results for Europe in the first quarter of 1977 were depressed by a strike in the UK gases division which cost about £3m in that quarter.

Trading profit for the quarter now reported has been reduced by extra depreciation of £1.5m provided in anticipation of further asset categories to be revalued before the end of the current year.

The strength of sterling had only a minor effect on trading results, the directors add. But it did reduce the value of overseas assets and liabilities with a consequent effect on shareholders' funds.

See Lex

HIGHLIGHTS

Lex looks at signs of a boiling-over in the gilt-edged market. Major company news of the day consists of the annual figures from General Accident which show a healthy rise in profits, while BOC's first quarter reveals an improvement over the poor figures of last year. Elsewhere, Lex considers the possible consequences of tough monetary measures included in the Hong Kong budget. Change Wares' figures show the expected recovery in profits and British Enkalon has dramatically cut its losses though the outlook remains uncertain. George Ewer produces better profits and the dividend comes in for a useful increase, while Redman Heenan makes a £2.2m rights call to help finance increasing capital expenditure.

G. Ewer expands to £1.38m.: dividend increased to 1.5p

TAXABLE PROFITS of George Ewer and Co., motor coach operator and motor trade distributor, were £1.38m for the nine months to September 30, 1978, compared with £1.1m in the previous 53 weeks—well ahead of the midway forecast of £1.2m.

At the half-way stage, when pre-tax profits were up from £424,000 to £602,000, the directors said they expected group profits to top £1.2m.

Turnover in the nine-month period was £23.02m against £18.44m. Stated earnings per share before extraordinary items and tax are 7.83p (6.21p) and 6.23p (3.98p) after the same.

The net dividend is effectively raised from 1.1666p to 1.5p, and the directors are seeking Treasury consent for this. In November, they expected the payment to be at least 1.4p.

After tax of £282,000 (£392,000) and an extraordinary credit of £55,000 (£610,000) for sale of properties, retained profit came through at £900,000 compared with £1.11m.

● comment

Comparisons are often complicated when companies change their year end, but in George Ewer's case the adjustment is relatively simple. Surprisingly perhaps, the nine month outcome is broadly similar if not a fraction higher than the projected 12-month figure. The explanation lies in the motor distribution activities' traditional September year end and the seasonally quiet November and December period in the coach division. Nevertheless a 26 per cent pre-tax profits increase reflects buoyant trading particularly from the Ford and Vauxhall main dealerships and the expanding spare parts side. Elsewhere, cut-price coach rates have largely forced Ewer to pull out of the previously important London tourist trade but profits held up despite the poor summer. Meanwhile, adjusting last year's payout for the scrip issue and annualising the current payment the dividend has been increased by 71 per cent. However, assuming the latest payment will be treated for future calculations as a full year dividend a more realistic increase is 29 per cent. At 39½p the P/E is 4.9 and the yield 5.9 per cent.

WINKELHAAK MINES LIMITED

(Incorporated in the Republic of South Africa)

NOTICE OF GENERAL MEETING

A general meeting of members of the Company will be held in the board room on the ground floor, Union Corporation Building, 74/78 Marshall Street, Johannesburg, at 11.00 am on Thursday, 22nd March, 1979, to consider and, if deemed fit, to pass with or without modification, the following resolution numbered (1) as a special resolution and the resolution numbered (2) as an ordinary resolution:

(1) That the authorised share capital of the company be increased from R12,000,000 divided into 12,000,000 shares of R1 each to R12,180,000 divided into 12,180,000 shares of R1 each by the creation of 180,000 new shares of R1 each, to rank pari passu in every respect with the existing shares of the Company.

(2) That the directors of the company be authorised to issue one hundred and forty nine thousand two hundred (149,200) ordinary shares to U.C. Investments Limited and thirty thousand eight hundred (30,800) ordinary shares to Acacia Mines Limited as consideration for the granting of the right to prospect and to acquire the right to mine for precious metals in perpetuity over 1,081 hectares of the farm Driefontein No. 137 and 405 hectares of the farm Goedehoop No. 290.

The transfer books and register of members of the Company will be closed from 15th to 22nd March, 1979, inclusive.

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and speak and vote in his stead. A proxy need not be a member.

The reasons for the special resolution are set out in the circular sent to shareholders, of which this notice forms part, and the effect thereof is to increase the authorised share capital of the Company to the extent required.

By Order of the Board
per pro UNION CORPORATION (U.K.) LIMITED
London Secretaries
L. W. Humphries

London Transfer Office:
Granby Registration Services,
Granby House, 95 Southwark Street,
London SE1 0JA

Princes House,
95 Gresham Street,
London EC2V 7BS

28th February 1979

A UNION CORPORATION GROUP COMPANY

Six months increase by Raine Eng.

PROFITS BEFORE tax of Raine Engineering Industries improved from £103,000 to £127,000 for the six months to December 31, 1978. Despite a £0.24m fall in exports, total sales were higher at £7.84m compared with £7.52m.

For the previous full year, profits dropped from a record £888,000 to £282,000.

The directors say the trading climate in the steel industry nationally has shown little improvement and the recession has continued to affect those subsidiaries involved in the manufacture of steel products.

The group's house-building subsidiaries achieved a better result than at the same stage last year and its light engineering activities produced comparable results.

Trading profits for the period advanced from £246,000 to £313,000, before investment income last time of £13,000 and higher interest payable amounting to £186,000 (£156,000).

Tax takes £48,000 (£31,000) and after a profit of £20,000 (nil) on sale of investment, available surplus rose £27,000 to £99,000.

The interim dividend is unchanged at 0.286p net per 10p share, costing £52,000 (same), and the directors expect the total will not be less than last year's 0.8712p.

ALCRAFIELD

Alcrafield ceased to be the holding company of Aries Holdings in January 1978. Therefore, it no longer has an interest in Clifton Investments.

GA at £90.1m following underwriting recovery

A turnround to a profitable underwriting result and substantial growth in investment income, sent pre-tax profits of General Accident Fire and Life Assurance Corporation soaring by one-quarter in 1978 to £90m. Premium income rose by 10 per cent to £746m, but the underlying growth allowing for exchange rate adjustments was 14.3 per cent.

Underwriting results last year showed a profit of £1.1m, compared with a loss of £6.3m in 1977. This was the first profit recorded by GA for five years and it came about primarily from the turnround in the U.S. Here a profit of £4.9m was achieved against a loss of £3.6m previously.

Trading conditions in the U.S., which accounts for over one-third of the group's business, continued to improve throughout the year with a fourth quarter underwriting profit of £3.2m. The operating ratio in this period was 95.34 per cent and over 1978 this ratio improved three points from 100.44 per cent to 97.40 per cent.

Written premiums were 11 per cent higher at U.S.$536.5m ($481.8m). The auto account performed well and a useful profit was derived from the property classes. Workmen's compensation business, however, remained unprofitable but the general liability account moved into profit.

Although underwriting losses were almost halved in the UK from £4.2m to £2.2m, the group suffered from the severe weather conditions which depressed both the householders' and the motor results. GA is the largest insurer of non-life UK business and the leading UK motor insurer. The householders' account continued to be unprofitable following the heavy losses in the first quarter on account of the averse weather. MACH. 23.

The householder account lost about £4.75m in 1978 and the group has increased its rates for contents from the beginning of the year. Mr. David Blaikie, chief general manager, stated that although it was too early to quantify the effects of this winter's severe weather, he anticipated that the results would be very poor indeed since the UK had not experienced such a bad winter for years.

The UK motor account also showed a loss, although the group had held its motor rates steady for 12 months before increasing them at the beginning of February. Mr. Blaikie would not rule out the possibility of a further increase later in the year, but the group did its best to avoid too frequent a change in motor rates.

The industrial fire account closed in profit despite exceptional losses in the first quarter and there were improved results in the liability and traders' comprehensive classes following rate increases.

Elsewhere, the group's operations in Europe showed a slightly reduced underwriting loss, following a welcome improvement in the Netherlands. The marginal profit seen in 1977 in Canada was repeated last year, but severe competition and rate cutting resulted in a small reduction in premium income.

Severe competition also sent underwriting in Australia into a loss of £0.8m against a profit of £1.6m. There was a loss in New Zealand, but profits in Brazil, South Africa and in the international operations.

Adverse underwriting trends continued in marine and aviation and the fund was augmented by a £500,000 transfer from the profit and loss account.

Investment income last year rose by 17.2 per cent from £75.3m to £88.3m, reflecting continuing high interest rates and the growth of the underlying funds. The real growth allowing for exchange rate changes was 21.9 per cent. This resulted in pre-tax profits in 1978 of £90.1m, against £70.2m in 1977.

Taxation accounted for £29.7m against £21.2m, so that profit after tax, minority interest and preference dividends totalled £59.4m against £47.8m. Earnings per share amounted to 36.3p against 29.2p.

There was also a reduced contribution from life operations, a very unusual occurence. The group made additional reserving provisions on certain of the specialist UK and overseas long term funds, such as the permanent health insurance fund. This resulted in the shareholders' portion of the profits in 1978 being cut to £2.2m from £2.7m in 1978.

The directors have decided to recommend a final dividend on the ordinary shares of 4.917p per share making a total distribution for the year of 9.092p per share (8.163p in 1977) the maximum amount permissable under current legislation.

See Lex

Liden to change auditors after major disagreement

BY ARNOLD KRANSDORFF

Liden (Holdings), the whitewood furniture manufacturer, which has announced almost trebled year-end losses of £506,763, intends to sack its auditors—Payne Stone Fraser and Co.—following a disagreement over the company's accounts.

Mr. Norman Clothier, chairman of Liden since July, 1976, said that the reason for abandoning publication of the first-half results, and subsequently delaying the preliminary announcement, was "that we just didn't agree with our auditors."

He described their relationship as "not very good."

For these reasons, he said, the directors would be recommending to the annual meeting later this year that Payne Stone Fraser—which has been retained by Liden for almost 20 years—be replaced by another firm of auditors, as yet unnamed.

A spokesman for Payne Stone Fraser said yesterday that the company had intimated to Liden that it would not be seeking re-election at the annual meeting.

Mr. Clothier also revealed that the directors intended to rationalise the group by closing down the Lee Bridge Road furniture factory on April 13 and the Arnhem Timber subsidiary "as soon as possible."

Explaining the group's 1977-78 deficit, the chairman said that profits of around £100,000 from the plastics business were overshadowed by a £400,000 loss by Liden's furniture operation and a £204,000 loss at Arnhem.

On the furniture side unit sales were 10 per cent higher but margins were unobtainable because of higher labour and raw material costs. The group would continue to sell whitewood furniture made by an alternative source, he added.

Referring to Arnhem, Mr. Clothier said that in spite of a decision to close the company in March 1978, the group had been obliged to carry on a loss-making business because of pressure from the labour force and by virtue of a contractual agreement with an overseas company.

This contract was due to expire in July 1979, at which time the company would be closed, he said.

After these moves were completed Liden could concentrate on marketing hardware and D-I-Y and related products, areas where the prospects were far better, Mr. Clothier added.

It was intended to postpone publication of the report and accounts to allow the chairman to be as informative as possible about the immediate and future prospects of the group.

Mr. Clothier estimated that it would be ready by early May, with the date of the annual meeting around May 25.

Liden's shares were suspended last week shortly before a number of bid approaches were announced. The chairman said that a statement would be made as soon as possible.

British Enkalon cuts deficit with better second half

A SECOND half profit of £15,000, against a loss of £651,000 helped British Enkalon 71.7 per cent owned subsidiary of Akzo, of Holland, to greatly reduce its deficit from £2.15m to £250,000 for 1978. Sales increased from £50.55m to £53.61m.

At the halfway stage losses had fallen to £265,000 against £1.5m.

The last time the group was in the black was 1974, since when it has incurred losses totalling £11.83m.

Mr. J. Martin Ritchie, chairman, says the outlook for man-made fibres during 1979 must continue to remain uncertain. He says he will report more fully on the situation in the annual report and accounts.

	1978 £000	1977 £000
Sales	53,606	50,547
Trading profit	273	†775
Associate	488	400
Operating profit	761	†375
Interest	1,011	1,773
Loss before tax	250	2,148
Taxation	501	5
Loss after tax	751	2,153
Minority interests	247	223
Attributable loss	998	2,376

† Loss.

The group achieved a trading profit this time of £273,000 (£775,000 loss) and the associate company turned in a £488,000 (£400,000) profit. However, interest charges took £1.01m (£1.77m) giving the pre-tax loss figure.

Loss per 25p share is shown as 3p compared with 7p.

● comment

British Enkalon was preparing, in December, to speak of its prospects in terms of the old cliche about light at the end of the tunnel. Assisted to some extent by the drop in interest rates it has clawed back its losses from £2.1m in 1977 to a mere £250,000 in 1978. This has been achieved in the face of continued overcapacity in the man-made fibre industry where end-products still have to compete with cheap imports. But the lorry drivers' strike in January and the jump in the price of the industry's prime raw material, naptha, since September have dimmed that elusive (often illusive) light. In the light fibre sector—for lingerie and clothing—there are some signs of recovery with capacity utilisation creeping up to around 80 per cent. But in the heavy sector—fibres for tyres, for example—the outlook is not bright. British Enkalon's shares edged up ½p to 23p on the news but with losses totalling almost £12m from operations in the past four years and an uncertain outlook for 1979 it is not an attractive short-term investment.

ISSUE NEWS

Redman Heenan £2m rights: lifting dividend

PROPOSALS to raise £2.2m by a one-for-four rights issue at 59p per share are announced by the Redman Heenan International group of specialised engineering companies.

The group intends to lift the net dividend by 97 per cent to 4p per share in respect of the year ending September 30, 1979. Treasury consent has been granted.

A machine tool and plant replacement programme costing over £1.5m is planned for the current year and a similar amount will be spent on a new factory for the Heenan Drives subsidiary on part of the land recently purchased at Blackhole, Worcester.

The acquisition of companies engaged in complementary businesses is also under consideration to supplement Redman Heenan's organic growth, and the group believes it will be better placed to proceed with acquisition when its capital base has been increased by the issue.

Hambros Bank is handling the underwriting arrangements and brokers to the issue will be Hoare Govett.

● comment

Even on a current cost basis, there was nothing in the last accounts from Redman Heenan to indicate a pressing need for cash. Shareholders' funds amounted to £12.93m against net current liabilities of £1.47m and fixed interest debt of £730,000. The dividend was covered a comfortable four times. But capital spending is set to rise significantly from the previous level of £1.12m and the group is also anxious to leave sufficient scope to acquire complementary companies. This will be the first rights issue since the new management pulled Redman Heenan back from the edge of the financial precipice eight years ago although the track record suggests that this form of funding could have been tapped, market conditions permitting, at any time over the last four years. At it is, little is being left to chance, for the prospective ex rights yield of 8.22 per cent at 76p up 7p is usefully over the sector average of 5.6 per cent.

CHEPSTOW RESULT

Chepstow Racecourse announces that of the £111,530 5 per cent unsecured loan stock 1988 offered by way of rights at par, shareholders subscribed for £60,408 (54.16 per cent) leaving £51,122 with the underwriters.

TRICOVILLE SCRIPS

Tricoville announces that subject to an extraordinary meeting on March 23, it has decided to recommend scrip issues of both cumulative 10½ per cent preference shares and ordinary shares.

A total of 600,000 10½ per cent cumulative preference shares would be fully paid up by capitalising £600,000 and then would be issued to ordinary holders on the basis of one preference for every five ordinary.

Also, £100,000 would be capitalised to pay up 1m new ordinary shares to be issued on the basis of one new ordinary for every three ordinary held.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre- sponding div.	Total for year	Total last year
Arnott & Co.	7.5	June 30	6	12.5	10
British Assets ......int.	0.65	April 9	0.55	—	2.4
Change Wares	†0.2	—	nil	†0.4	†0.4
Drayton Comm'l	3.69	April 3	3.19	5	4.5
George Ewer	1.5§	May 7	1.17*	1.5§	1.7*
General Accident	4.92	July 1	4.35	9.04	8.16
‡International Inv.	1.63	May 4	1.45	2.94	2.62
Raine Engineering int.	0.29	May 1	0.29	—	0.87
Trafford Park ......int.	1.96	April 20	1.7	—	4.08

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 18 months. § For 9 months. ¶ Corrected. || Plus tax credit.

Moves to dismiss St. Piran board

A group of dissatisfied shareholders in Saint Piran, the tin mining and housebuilding group with interests in the Far East, has requisitioned an extraordinary general meeting of the company to throw out the existing directors.

In a letter to shareholders yesterday, the dissident group of five shareholders raised the question of "the role played by Mr. J. Raper in relation to the company's affairs." Mr. Raper is an ex-director of the company who now lives in the Far East and, according to Mr. Henry Hodding, the chairman, acts mostly as a consultant to the group.

The dissident group is also concerned about the resignation of "respected executive directors" and of the company's stockbroker, Joseph Sebag and Co.

"But what has caused most concern is the adverse publicity the company has attracted," says the group which attaches an appendix of facsimiles of recent Press reports to its letter.

Several shareholders and J. Sebag have tried to persuade Saint Piran to take on well known and respected directors to restore confidence in the company. Saint Piran refused the idea as "mere window dressing" so the shareholders have decided to try to throw out the board as a last resort.

The group of five shareholders who are offering themselves to replace the existing board are, by their own admission, not household names. But they all have experience relevant to the business of Saint Piran.

Mr. M. R. Lewinsohn is chairman of Dundonian, a public company with mining interests in Cornwall: Mr. R. H. Morley is another director of Dundonian; Dr. H. Fletcher is chairman of Tebbitts, a public company whose interests include construction; Lt. Col. R. W. Potts is a metallurgist resident in Cornwall and Mr. F. T. Seow is a barrister, resident in Singapore.

The dissidents had to have at least 10 per cent of Saint Piran to be able to call the EGM under the Companies Act 1948. They were unwilling to say yesterday what proportion of shareholders would support them in case the information might help the other side.

The directors must give notice of the EGM within three weeks.

Advance by Scottish Mutual Assurance

The long term business fund of The Scottish Mutual Assurance Society rose by nearly £20m in 1978 from £164m at the beginning of the year to £181.5m at the end. Premium income advanced by 21 per cent from £21.7m to £26.3m and investment income by 16 per cent from £14.6m to £17m. The amount paid on claims nearly doubled from £10.9m to £18.5m while commission payments and other expenses were 29 per cent higher at £6m.

Professor T. Wilson in his chairman's review for the year stated that just under £12m of the available new money last year was invested in gilts and less than £1m invested in ordinary shares. The society has taken a Eurocurrency loan of $4m and this has been invested in U.S. equities. The valuation of assets at the end of the year showed the market value of assets at the end of 1978 at £227m—an excess of £40m over book value used to value the fund. At the end of 1977 the market value was £214m—£46m excess over book value.

The change in the method of giving tax relief on life assurance premiums was condemned by Professor Wilson as a pointless display of bureaucratic activity. Apart from the cost, the whole operation had been a burden on the industry and it had interferred considerably with the work of the Society designed to bring real and not spurious benefits to its policyholders.

ERNEST JONES

Results for the year ended 30th September 1978

	1978 £'000	1977 £'000
Turnover (VAT inclusive)	7,026	5,653
Turnover (VAT exclusive)	6,285	5,036
Profit before taxation	1,272	811
Earnings per share	27.4p	15.2p

Points from the Chairman's Statement:-

* Group turnover increased by 25%
* Group profit increased by 57%
* Four new branches scheduled for opening in 1979, in addition to major extensions at several branches.
* Trading during first quarter of current year was at a very high level.

Copies of the Report and Accounts are available from the Secretary

ERNEST JONES (Jewellers) Limited

Shifra House, 1-7 Harewood Avenue, London NW1 6JD

NOTICE OF REDEMPTION

To the Holders of

CITY OF BERGEN

8% Debentures due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has drawn by lot through operation of the Sinking Fund for redemption on April 1, 1979, at the principal amount thereof together with accrued interest to the date fixed for redemption $1,000,000 principal amount of said Debentures, each in the denomination of U.S. $1,000 as follows:

Outstanding Debentures bearing serial numbers with the prefix letter "M" and ending in any of the following two digits:

13 14 25 28 29 32 41 61 63 89 95

Also Debentures bearing the following serial numbers with the prefix letter "M":

983 1183 2883 3183 3283 4483 5083 7983 10183 11283 11583 11783 12683 12983

On April 1, 1979, the Debentures designated above will become due and payable at the redemption price aforesaid in such coin or currency of the United States of America as at the time of payment is legal tender for the payment therein of public and private debts and will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Department of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or (b) subject to applicable laws and regulations, at the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London, Paris or Zurich or the main office of Bank Mees & Hope NV in Amsterdam, Banca Vonwiller & C. S.p.A. in Milan or Kredietbank S.A. Luxembourgeoise in Luxembourg. Payments at the Offices referred to in (b) above will be made by a check drawn on, or by a transfer to, a United States dollar account maintained with a bank in New York City.

Coupons due April 1, 1979, should be detached and collected in the usual manner.

From and after April 1, 1979, interest shall cease to accrue on the Debentures herein designated for redemption.

CITY OF BERGEN

By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

March 1, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

M26 76 401 798 815 1199 1378 1641 3198 4398 4916 5532 5731 9075 10160 10547 11186
36 250 795 813 960 1377 1495 2541 3472 4426 5530 5566 5851 9774 10312 10563 14901

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MINING NEWS

Renison tin boost to CGFA first-half

BY KENNETH MARSTON, MINING EDITOR

FIRST-HALF net profits for the year to June 30 of the Consolidated Gold Fields group's 70 per cent-owned Consolidated Gold Fields Australia have moved up to A$4.88m (£2.73m) from A$2.79m a year ago, the latest figure being after a tax benefit of A$1.64m against A$2.57m. Earnings per share equal 18 cent against 10.3 cents. The interim dividend is raised to 7 cents (3.9p) from 6 cents last time when the subsequent final was 7 cents.

The major factor in the good performance has been the Renison tin mining money-spinner in Tasmania. Matters have also been helped by a reduced loss at the Associated Minerals Consolidated mineral sands operation.

Bellambi Coal was only marginally profitable but is confident of increasing its sales and should do better when the Federal coal export duty is lifted at the end of this year. Given a continuation of the recent improvement in the market for mineral sands AMC should return to profits, while the copper-producing Mount Lyell has already forecast an end to losses thanks to the rising metal price.

● comment

Renison continues to do well and so profits of CGFA look like maintaining their improvement in the current half-year. Now that the copper price is moving forward, the reopening of the Gunpowder copper mine is on the cards. But the main attraction of CGFA is the possibility that the corporate restructuring that is taking place could lead to the transformation of the company, with its improved financial position, into a sizeable Australian mining finance house. The shares were 320p yesterday.

Lornex profits striding ahead

THANKS TO increased prices for copper and molybdenum coupled with the beneficial effects of the decline in the value of the Canadian dollar, net earnings of Lornex Mining for 1978 have almost doubled to C$14.35m (£5.93m), or C$1.74 per share, from C$7.78m in 1977.

Last year's gross revenue price of copper averaged 73 cents Canadian per pound compared with 60 cents in 1977. The rise in the Canadian copper price was largely attributable to the fall in the value of the Canadian dollar.

This year the Canadian price of copper has moved ahead strongly in the wake of U.S. quotations which are now well over 90 cents compared with the 1978 average of 62 cents. The moly market remains firm and earnings of Lornex, whose copper-moly mine in British Columbia is possibly the largest in Canada, are thus set for a fresh advance. The Rio Tinto-Zinc group's 51 per cent-owned Rio Algom holds 68.1 per cent of Lornex while a stake of 21 per cent is owned by Canada's Teck Corporation following the latter's acquisition of Yukon Consolidated.

ROUND UP

General Ceylon (Holdings)—Rowe White has sold 10,000 shares at 23p reducing holding to 228,670 (10.37 per cent). Dimbula Valley (Ceylon) Tea has sold 10,000 shares at 23p reducing holding to 197,553 (8.95 per cent).

Allied Plant Group—Electra Small Companies Exempt Fund has increased its holding of ordinary shares to 805,000 (6.71 per cent).

* * *

Ruhrkohle, the West German coal producer, has denied allegations that it is seeking to sell Appalachian Resources, its U.S. subsidiary whose losses from coal mines in West Virginia and Kentucky amount to DM80m (£21.4m) over the last two years. Ruhrkohle said it had been looking for another partner for some time (Stinnes, the Veba unit, has 20 per cent) and that it would cost more to close the mines than to provide additional funds to make the mines viable.

* * *

The Western Australian Government has given Western Mining environmental clearance for its Yeerlirrie uranium joint venture with Esso and Urangesellschaft. It is hoped to start production towards the end of 1984 and this clearance is another stage down the road of winning official approvals for the project.

A setback at Oakbridge

AFTER four years of expanding profits Australia's Oakbridge coal and industrial group has suffered a setback. Earnings for the half-year to December 31 have dropped 28 per cent to A$2.89m (£1.61m) from A$3.98m a year ago. The interim dividend, however, is maintained at a 1.5 times' covered 6 cents; last year's final was also 6 cents.

Last year Oakbridge warned that current year's results would be adversely affected by the New South Wales levy of A$1.10 per tonne on coal exports. Other adverse factors that have come into play include difficult conditions in new coal working areas, industrial disputes, absenteeism and lower earnings in the group's engineering division.

The coal levy scheme lapsed at the end of December, but the other adverse factors persist and there is the added problem of pressures on selling prices.

Oakbridge expects that these will depress results for the current half year, but joint venture agreements with British Petroleum at the Calarence Colliery and with the Sumitomo group at the Hermitage mine should underpin future profit growth, it is stated. Oakbridge shares were 123p yesterday.

Hamersley wins price rise in Japan

HAMERSLEY, one of the two major Western Australian iron ore producers, has succeeded in negotiating a modest price rise for shipments to Japanese steel mills during 1979 and 1980.

A Nippon Steel spokesman said in Tokyo yesterday that basic agreement on a price rise had been reached. He would not specify the extent of the rise but industry sources, quoted by news agencies, were talking in terms of 6 per cent.

Such a rise would be well below the 15 per cent Hamersley and Mount Newman, the other main producer, were believed to be seeking, but is consistent with the position of the Japanese steel industry which describes itself as too fragile to absorb large cost increases.

Hamersley is part of the Rio Tinto-Zinc group and Mount Newman is a consortium embracing Amax of the U.S., CSR and BHP of Australia, Selection Trust of the UK and Mitsui-C. Itoh of Japan. The negotiations of both groups tend to run in parallel and the results of the Mount Newman talks may be expected shortly.

Both the Hamersley agreement and any reached by Mount Newman are subject to Australian Government approval. The Australian Government, perturbed by the pressure put on coal and iron ore producers for lower prices and lower tonnages, has been seeking a greater role in the negotiation of raw materials contracts by specifying guidelines.

This pressure was reflected in the 1978 earning of Hamersley which fell to A$34.8m (£19.4m) from A$57.8m in 1977 and would have been worse had they not been cushioned by investment allowances and trading stock valuation tax benefits.

The latest agreement, according to Nippon Steel, applies to shipments of 12.74m tonnes to be shipped in fiscal 1979, beginning in April, and 13.5m tonnes to be shipped in fiscal 1980. This accounts for about half of Hamersley's total shipments at the current rate of sales.

Hamersley currently has four contracts running with the Japanese and it is thought that the latest talks have concentrated on contract number one and contract number four, which are both for high grade iron ore, and cover respectively 4.8m tonnes a year to 1980 and 10.5m tonnes a year to 1987.

These tonnages appear to have been scaled down from their base levels to beneath the 10 per cent contractual leeway the Japanese are permitted.

Hamersley, which last year, suffered an 8.5 per cent drop in sales revenue, has been seeking to diversify away from the Japanese market which absorbs about three-quarters of its output, and has lately been selling elsewhere in the Far East and in Europe. Competition on the Japanese market has meanwhile become more intense.

NOTICE TO HOLDERS OF

THE DAIEI, INC.

(KABUSHIKI KAISHA DAIEI)

6% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1991

Pursuant to Section 3.03(J) of the Indenture dated as of June 30, 1976 under which the above Debentures were issued, notice is hereby given as follows:

1. On February 6, 1979 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of February 28, 1979 in Japan (February 27 in New York City, London and Luxembourg), at the rate of 1 share for each 10 shares held.

2. Accordingly, the conversion price of the Debentures has been adjusted effective immediately after such record date. The conversion price in effect prior to such adjustment was Yen 1,056.7 per share of Common Stock, and the adjusted conversion price is Yen 960.6 per share of Common Stock.

THE DAIEI, INC.

By: The Bank of Tokyo Trust Company as Trustee

March 1, 1979

U.C. INVESTMENTS LTD.

(Incorporated in the Republic of South Africa)

Highlights from the Review by the Chairman, Mr. E. Pavitt

* Net profit for 1978 was R12,078,000 compared with R7,241,000 for the previous year; total dividends declared were 42 cents (1977 30 cents).

* Market value of investments at 31st December 1978 was R126,953,000 (1977 R103,477,000). Net asset value at 31st December 1978 was 652 cents per share.

* Gold accounted for 60% of the Company's investments and platinum 21%. The interest in Leslie Gold Mines has been disposed of but dividends from the other three gold producers in the Evander Area have increased substantially. Impala Platinum should have another successful year to June 1979.

* With the demand for gold and platinum firm and the price outlook upward, higher dividend income from these sections is looked for in 1979.

* East Rand Gold and Uranium and Unisel Gold Mines, in which the Company has sizeable holdings, are expected to commence dividend payments in 1979 and 1980 respectively.

* 149,200 additional shares in Winkelhaak Mines are to be received in exchange for certain mining rights. The Company will be offered a participation in Union Corporation's new uranium/gold venture in the Orange Free State – Beisa Mines Limited.

The full report for the year ended 31st December 1978 may be obtained from the London Secretaries, Union Corporation (U.K.) Limited, (Ref: UCI), 95 Gresham Street, London EC2V 7BS

A MEMBER OF THE UNION CORPORATION GROUP

RKT confident

In his annual report, Mr. E. G. Libby, chairman of Robert Kitchen Taylor and Co., says that although recent events in the UK are not helpful to trading, he views the future with confidence.

The textile industry is an extremely wide one and the directors are concentrating on those areas for which the outlook is most promising.

This has involved a certain rationalisation in both the merchant converting and manufacturing sections of the group, the chairman says.

The sectors of the textile industry in which RKT is principally engaged—double force converting thermal underwear, knitwear made from natural fibures and fabric—have been proving increasingly successful and offer considerable scope for future expansion.

The thermal underwear which the group provides for Damart in the UK and the U.S., is proving extremely popular and directors continue to expand production to meet demand. The first year's operation of the two small factories in New Hampshire ended in profit and at this stage in the second year prospects are encouraging.

For the year ended September 1978, pre-tax profits rose from £800,000 to £2.18m from turnover of £20.11m against £14.69m.

Knitwear generally enjoyed a good year with increased orders from customers, while the merchant converting companies had a very successful year.

Utd. Glass loses £7m sales

A combination of bad weather, strikes and disputes has meant £7m of lost sales so far for United Glass, jointly owned by Distillers Company and Owens-Illinois, of the U.S. Profits have also suffered.

However, the group is now operating well and the directors feel that the encroachment of *imported glass packaging into* the UK has been stopped at the 10 per cent level, though the chances of reducing this figure will now depend on how the year develops and whether the remaining months will be free from further disputes.

In the annual review the directors say that capital expenditure increased from £9.23m to £14.09m during the year ended December 2, 1978, in which pre-tax profits advanced from £11.52m to a record £15.05m on turnover of £149.7m (£125.6m).

The future expenditure programme is also substantial, and the projected outlay during each of the next three years will be *higher than that in 1978.*

There was an increase in sales in the glass container division and profit margin was maintained at the 1977 level.

The closures and plastics division was free from the difficulties and adverse financial consequences which it suffered from in the previous year, and with an increase in sales, helped to improve margins to a record level. The division is now beginning to achieve its full potential, the directors add.

After the internal and external strikes late in 1977, Ravenhead achieved a strong recovery, and finished the year with record results, but Johnson Radley division had a disappointing year, and profit fell short of the previous year's record figure.

In a current cost statement the pre-tax profit is reduced to £8.79m (£4.48m) after depreciation £4.56m (£4.49m), cost of sales adjustment £2.34m (£3.2m) and the gearing factor £631,000 (£660,000).

SM

The Scottish Mutual Assurance Society

Statement from the 1978 Annual Report and Accounts by the new Chairman, Professor T. Wilson, OBE, FBA.

1978. ANOTHER GOOD YEAR FOR THE SCOTTISH MUTUAL POLICYHOLDER.

I think it would be fitting for me to begin my first Statement as Chairman by paying tribute to the work of my predecessor, Mr W. R. Ballantyne, who retired from the Board at the end of June last year. Formerly General Manager of The Royal Bank of Scotland, Mr Ballantyne became a director in 1965 and Chairman eight years ago. He occupied the chair with distinction and we shall miss the valuable contributions he made to our deliberations.

NEW BUSINESS

Last year was another year of remarkable expansion when our new annual premium income rose to £6.9 million or by almost two-fifths above the level reached in 1977. For the second year in succession roughly half of the new business premiums came from pension schemes and we have thus shared fully in the recent burgeoning of pensions business. As is now well known, the number of pension schemes contracted out under the new legislation has been substantially larger than was expected and this can fairly be regarded as a vote of confidence in private management. *This impressive growth was achieved* smoothly and the congestion that might otherwise have occurred in the channels of approach to the *Occupational Pensions Board was* avoided by some appropriate emergency measures.

The other half of our new premium income came from life assurance business. No doubt this expansion was helped last year by the seven per cent growth in personal disposable incomes but the full explanation does not lie here. We must also look for an explanation to what has been one of the more remarkable features of our recent years of crisis: that is the way in which private people, beset by so many difficulties, have managed to save a higher proportion of their incomes after tax. In this way they have diplayed both a degree of restraint and a prudent regard for future prosperity that have scarcely been characteristic of the way in which we have conducted *our national economic affairs. Of this* additional saving, part has flowed into insurance policies and we can reasonably expect that it will continue to do so. It might be rash, however, to suppose that the recent rate of increase in personal saving will be sustained.

PENSIONS AND THE-ECONOMY

Jeremy Bentham once gave this advice to Government: "Be still. Be still." Last year the whole insurance industry benefited from the fact that the machinery of legislation was really still. Elsewhere, however, there was continuing activity. In carrying out their task of investigating the financial institutions, the Wilson Committee has *obviously been examining the* structure of occupational schemes. Its chairman, Sir Harold, has seen fit to make some public comments about the power that he believes to rest in the hands of the pension funds. It is to be hoped that this power will not be assessed by the crude process of adding together their resources as though the total were under the centralised control of a state monopoly. Fortunately there is no such centralised control and no concerted cartelised action among the many independent funds. These funds do indeed react to economic influences in a similar way, but as the evidence submitted to the Wilson Committee showed clearly enough in the context of insurance companies, there is a wide diversity of opinion and of practice in other matters.

The Occupational Pensions Board has been receiving volumes of evidence from various organisations about the problems confronting pension funds in an inflationary economy, in particular the problems of solvency and of the preservation of employees' pension rights on a change of job. The Life Associations have presented evidence on these and related matters.

It is unlikely that a pension fund designed to provide benefits related to the salaries of members at retirement and financed by a suitable percentage *of the salary roll will face insolvency* even at a time of inflation. What is difficult to achieve as well as this crucial protection of solvency is the provision of a secure standard of living *for those who are retired. When* inflation accelerates at a greater pace than was anticipated, there are bound to be victims—innocent victims of the hard, arbitrary and inequitable tax that inflation imposes on a community. For all our sakes inflation must be stopped, although the process of doing so may also for a time be unpleasant and harsh.

REGULATION OF THE INDUSTRY

In the life assurance sector, part of the aftermath of the Insurance Companies Act 1974 will take effect at the start of 1980 when long-term business will be subject to the operation of a cooling-off period at inception. Every new policyholder will then have to receive *direct from his insurer a notice* in statutory form drawing his attention to all the possible disadvantages of a long-term contract. After raising as many doubts as possible, the notice must then advise him that he has a period in which to change his mind and demand the return of his first premium.

On the face of it such a measure may seem harmless enough. Certainly no one can object to policyholders being made to understand the nature of their contract before they are committed. It must indeed be the aim of every responsible life office to ensure that this has been done. What is wearisome is the seemingly never-ending pressure for legislative control over the operations of the insurance industry—when what is really *required is the effective control of* inflation. This particular measure will involve the redesigning of systems within companies, the printing of special documents and the close administration of the requirements, and the cost, though not immense, will not be insignificant. When this cost is added to that of previous measures of a similar nature, such as the Policyholders Protection Act and the credit control legislation, the total is one which the consumer himself might well prefer not to pay, if he were ever given an opportunity to express his opinion.

On top of it all, we are about to be dragged into a pointless display of bureaucratic activity, for on 6th April we shall be required to collect premiums from our policyholders net of the tax relief to which they may be entitled and it will then be for us to recover the corresponding tax from the Inland Revenue. Most policyholders nowadays pay ordinary life assurance premiums by means of standing order or direct debit on their bank accounts. The chaos likely to be caused by an attempt to secure the prior written agreement of all policyholders to the change in the premium now to be collected can easily be imagined by anyone less lacking in perception than the legislators and bureaucrats who determined to effect this change. Fortunately the majority of the banks have agreed that in such unusual circumstances they will not insist on full written authority from their customers before reducing the *payments made on their behalf. This* means that the cost of the measure will be less than was initially feared, but the life offices are required to ensure that all their policyholders are fully advised of what is happening. The original justification for making the change was to enable the Inland Revenue to employ fewer staff and thus to reduce their expenses—by adding to ours. There is no doubt at all that the full weight of this expense has now been transferred to the life offices and hence to their policyholders. Apart from the direct financial cost, the whole operation has been a burden on the industry and in our own case has certainly interfered very considerably with work designed to bring real, not spurious, benefit to our policyholders.

Reference was made in last year's *Statement to the urgent need to ensure that not* only the public but also our official administrators are better informed about the objectives and the methods of the life assurance industry. The Life Associations have for many years produced literature for use in schools and here in Scotland these offices are contributing to the financing of an educational programme in the management of money. In this Society we have been in communication with local Members of Parliament in order to explain our point of view as a financial institution charged with the responsibility for the wellbeing of thousands of policyholders. It is by these methods, and most of all by the education of the younger generations in good financial management, that the best interests of *the consumer can be promoted.*

ACCOUNTS

In times as difficult as these, it is of the utmost importance that investment policy should be well-informed, adroit and far-sighted. Your Board will never, I hope, *make the mistake of* supposing that scientific methods can in themselves afford protection against blank uncertainty. But with eyes that are undazzled but yet appreciative we have sought to benefit as far as may be from specialist investigation and research. Thus a team led by Mr R. S. Clarkson—whom I congratulate on his appointment as Investment Manager—has devised a *new system for delineating the* structure of the gilt-edged market. This work, as many of you will be aware, has aroused considerable interest in investment circles and Mr Clarkson has recently had the unusual distinction of presenting his analytical ideas to both the Faculty of Actuaries and the Institute of Actuaries. We have also a highly developed statistical model for the equity market. The experience and skill of Mr McKinnon, Mr Clarkson and their colleagues have been applied not only to the investment of the Society's main fund but also to the managed fund subsidiary which is proving to be highly successful.

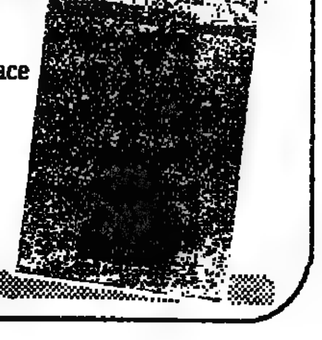
In the Accounts the continued progress of the Society during 1978 is reflected in the 40% increase in the amount of commission. The fact that this is consistent with the percentage increase in new business premiums *indicates the continuing high content* of individual business in the new premium income. There are consequential increases in other items of the Revenue Account. In particular, the increase in total expenses exceeded proportionately the increase in interest income, causing some reduction in the amount of Life Fund taxation, but the main cause of the reduction is the fluctuation in the provision for taxable profits in the Annuity Funds.

In the Society's main fund, just under £12m of the available new money in 1978 was committed to British Government securities. Of that amount about £5m in respect of calls due early in January 1979 on partly paid stocks was still on deposit at the end of the year. Less than £1m was invested in U.K. ordinary shares but the total proportion in these shares is very substantial. A new feature of the Balance Sheet is the eurocurrency loan of $4m, the terms of which are described in General note 4 to the Accounts. The whole of this amount has now been invested in U.S. ordinary shares.

I have already referred to the substantial increase in new business and to the large amount of work associated with the new State Scheme and the arrangements for Life Assurance Premium Relief. These activities have imposed a considerable strain on our officials and staff at Head Office and in all our branches and I must record the appreciation of the Board for the way in which they have coped with the additional *responsibilities they have thus been* obliged to carry.

SALIENT FEATURES OF 1978 PERFORMANCE

	1978 £000	1977 £000	% Increase
New Business Annual Premiums	6,934	5,003	39%
New Business Sums Assured	244,812	195,926	25%
New Pensions and Annuities Per Annum	18,228	13,519	35%



The Annual General Meeting of the Society takes place in the Central Hotel, Gordon Street, Glasgow, on Wednesday 21st March 1979 at 12.15 o'clock.

Copies of the full Annual Report and Chairman's Statement can be obtained from the Secretary, 109 St. Vincent Street, Glasgow G2 5HN.

SM The Scottish Mutual Assurance Society

Head Office: 109 St. Vincent Street, Glasgow G2 5HN.

GESTETNER HOLDINGS LIMITED

Bearer shareholders should lodge coupon 107 with Barclays Bank Limited (Securities Services Department), 54 Lombard Street, London EC3P 3AH in respect of the final dividend declared on 19th January 1979. Bearer dividend shareholders should lodge three clear days before 16th March for 9.1368% dividend. Bearer capital shareholders should lodge (with allotment instructions) on or after 13th March for 0.268% dividend and new capital shares as follows:

	Ord Cap.	"A" Ord. Cap.
Base on the average price of	146.029p	146.029p
For each share held holders will receive	0.022661 of a share	0.022661 of a share

Fractions of new shares will be sold for the benefit of the Company.

General Accident

Results for 1978

The audited accounts for the year to 31st December 1978 will be published on 30th April 1979, but preliminary and unaudited figures for 1978, with actual figures for 1977, are as follows:

	1978 £M	1977 £M
Premium Income		
General Business	745.8	674.6
Long Term Business	85.6	81.1
	831.4	755.7
Profit and Loss Account		
Investment Income	88.3	75.3
Underwriting Results—General Business	1.1	(6.3)
Shareholders' Long Term Profits	2.2	2.7
	91.6	71.7
Interest on Loans	1.5	1.5
Profit before Taxation	90.1	70.2
Taxation UK and Overseas	29.7	21.2
Profit after Taxation	60.4	49.0
Minority Interests and Preference Dividends	1.0	1.2
Profit for the year available to Ordinary Shareholders	59.4	47.8
Earnings per share	36.3p	29.2p
Dividend per share	9.042p	8.163p

Note

In arriving at the profit for the year, overseas revenue has been translated at the rates of exchange ruling at the year end.

Analysis by Territory of General Business Premium Income and Underwriting Result

	1978 Premium Income £M	1978 Underwriting Result £M	1978 Principal Exchange Rates used	1977 Premium Income £M	1977 Underwriting Result £M	1977 Principal Exchange Rates used
U.K.	296.7	(2.2)	—	242.4	(4.2)	—
U.S.A.	262.2	4.9	$2.04	250.1	(3.6)	$1.92
E.E.C.	54.1	(2.5)	—	45.6	(3.4)	—
Canada	41.3	0.1	$2.42	48.2	0.5	$2.10
Australia	23.0	(0.8)	$1.77	22.3	1.6	$1.67
Others, including reinsurance	48.1	2.1	—	45.1	2.8	—
Marine and Aviation	20.2	(0.5)	—	20.9	—	—
	745.8	1.1		674.6	(6.3)	

Life Department

New Business figures are as follows.

	1978 £M	1977 £M
New Benefits		
Sums Assured	1,963.6	1,144.3
Annuities per annum	28.6	21.6
New Life and Annuity Premiums		
Annual	15.6	10.9
Single	10.7	8.7

Final Dividend for the Year Ended 31st December 1978

The Directors have decided to recommend to the Shareholders at the Annual General Meeting to be held on 23rd May 1979, the payment of a final dividend on the Ordinary Shares of 4.917p per share making a total distribution for the year of 9.042p per share, being the maximum amount permissible under current legislation.

The dividend will be payable on or after 1st July 1979, to Shareholders on the register on 1st June 1979.

هكذا من الأهل

General Accident

General Accident Fire & Life Assurance Corporation Ltd

World Headquarters. General Buildings, Perth, Scotland.

BIDS and DEALS

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Diploma, EMI, London Shop Property Trust, S. Lyles, Trans-Oceanic Trust, Thomas Walker.

Finals: Associated Fisheries, British Vita, City and Foreign Investment, Hoover, Law Debenture Corporation, Ratcliffe (Great Bridge), Rentokil, Royal Insurance.

FUTURE DATES

Interims—	
Audio Fidelity	Mar. 9
Galliford Brindley	Mar. 8
H T V	Mar. 15
Manganese Bronze	Mar. 5
Walker (James)	Mar. 14
Finals—	
Barton and Sons	Mar. 28
Corah	Mar. 8
Goode Durrant and Murray	Mar. 8
Hepworth Ceramic	Mar. 20
Ibstock Johnsen	Mar. 26
Jacobs (John I.)	Mar 21
Nu-Swift Industries	Mar. 7
Wolf Electric Tools	Mar. 22

Boots' U.S. venture to expand agrochemicals

BY SUE CAMERON, CHEMICALS CORRESPONDENT

A deal has been completed by **Boots** under which it will take over the agricultural chemicals marketing business of the U.S.-based **Hercules** group.

The two companies have set up a joint venture that will give Boots a 60 per cent share of Hercules' existing worldwide agrochemical marketing operation. The new company will be known as Boots Hercules Agrochemicals Company, and be based in Delaware.

The deal is expected nearly to double Boots' world sales in the agrochemical field. Hercules, a major U.S. chemical concern with net sales last year of £1.7bn, is expected to manufacture for the new company on a fee basis. But ultimately Boots hopes its new subsidiary will also act as a U.S. marketing outlet for its own insecticides Mitac and Taktic.

Boots said yesterday that its aim in the deal was to increase its agrochemical involvement worldwide and to extend its agrochemical development and marketing activities in the U.S.

KILLINGHALL TIN LEASE PURCHASE

The Board of **Killinghall (Rubber Development Syndicate** has accepted an offer of Malayan $950,000 (approximately £216,000) from **Killinghall Tin (Malaysia)** bid for the company's remaining mining lease No. 4692.

The sale is conditional upon obtaining, within 60 days of the date of the agreement, the approval of the Bank of England to the sale, and the approval of the purchase by shareholders at an EGM convened for March 15.

The terms of payment are 10 per cent deposit on execution of the agreement and the balance payable seven days after the agreement becomes unconditional. Treasury consent has been received.

The lease is currently subleased to the mining company and is due to expire on October 14, 1980. Renewal to this company is not expected and the Board is satisfied that acceptance of the cash offer is of greater advantage to the company than the estimated receipts of Tin Tribute in respect of the lease during its remaining life in the company's ownership.

REDLAND GOING AHEAD WITH U.S. DEAL

Redland, the UK based building materials and contracting group, has formerly agreed to proceed with its proposed takeover of **Season-All Industries**, the U.S. manufacturer of aluminium storm windows and doors.

The bid had earlier been placed into abeyance while an audit was carried out on Season-All. As a result of the audit an original offer of $17 a share has been reduced to $14.75. The current bid values Season-All at $29.2m (£14.4m).

The bid is being mounted by Redland Brass Corporation, a U.S. concern jointly owned by Redland and its 56 per cent-owned West German subsidiary Braas and Co.

The takeover is subject to a meeting of Season-All stockholders due to be held towards the end of March or early April. The largest group of shareholders, the Gorell family controlling a 35 per cent stake, say they intend to accept the Redland offer.

HARTWELLS ACQUISITIONS

Acquisitions of W. P. Spearman and Christopher Heating by **Hartwells Group** have been completed for a consideration of £12,369, satisfied by 11,946 ordinary shares.

HOLT LLOYD

Holt Lloyd International has completed its acquisition of 62 per cent of the French company **Pro-Combur S.A.**

ICFC BACKING FOR LEE MAGNUM

Industrial and Commercial Finance Corporation has provided a £50,000 loan to **Lee Magnum** of Steventon, Abingdon, which makes and designs concrete block-making machinery and ancillary equipment.

The loan is being used to purchase further freehold premises adjacent to the company's factory, and as additional working capital to improve the properties.

OLYMPIA & YORK BUYS 1M SHARE BLOCK IN EPC

Olympia and York, the Canadian property group, now has 22 per cent of **English Property Corporation.**

Yesterday morning Mr. David Llewellyn, the former chief executive of EPC, sold his 1m shares to Olympia for 60p each. At the time the market price of EPC was 61½p.

The stake, amounting to just over 1 per cent of the equity, was held in the name of Greengarden Investments.

SEDGWICK FORBES BLAND PAYNE

Midland Bank announces that taking into account shares taken up by the bank's shareholders and convertible stockholders (or their renouncees), together with excess applications and applications from staff of Sedgwick Forbes Bland Payne, the offers have been oversubscribed.

The basis of allocating excess shares will be announced in due course.

DUCKHAM/KERAX WAX COATING DEAL

Alexander Duckham, the engine oil and lubricant subsidiary of British Petroleum, has paid £325,000 cash to acquire a 49 per cent stake in **Kerax Holdings** which manufactures protective wax coatings for the packaging industry.

As part of the deal Duckham is to merge its own wax coating operations into Kerax. The two groups said that a merger of the businesses would provide better opportunities for expansion.

Barr & Wallace buying Ford dealership in Scotland

Barr and Wallace Arnold Trust is poised to add to its chain of motor dealerships with the acquisition of **Scottish Transit Trust** bringing with it three main Ford dealerships operating in Glasgow, Dumbarton and Motherwell.

This will give Barr its first Ford dealership and its first dealership in Scotland. The acquisition should be completed by April 30 and the purchase price is not expected to exceed £550,000.

Under Ford dealership rules, Barr will be expected to dispose of the Dumbarton unit but will be given the opportunity to acquire an alternative Ford dealership in a different location.

Net tangible assets of the dealerships to be acquired by Barr were shown as £158,226 according to accounts for the year ending June 27, 1978. Net losses for the subsidiaries for the 12 months were £173,000.

ARMITAGE SHANKS

THE proposed merger of **H. and R. Johnson-Richards Tiles** and **Armitage Shanks** has been accepted so far by holders of 3.3 per cent of Johnson-Richards' ordinary shares and 9.8 per cent of the preference. Holders of 12.3 per cent of Armitage Shanks have also accepted the offer.

These figures are a correction of those which appeared in yesterday's paper. Yesterday's figures referred to the percentage of holders which had accepted the offers, rather than the percentage of shares in respect of which they had accepted.

G. WHITEHOUSE

George Whitehouse (Engineering) has increased its stake in Centreway, the engineering/leasing concern, from 21.4 per cent to 24 per cent. Plans to merge both groups broke down at the beginning of this year for "technical reasons."

A spokesman for Whitehouse said yesterday the group did not plan to make a bid for Centreway but regarded its stake as a "permanent long-term investment."

Following the break-down of merger talks Centreway acquired, in a £900,000 deal, Whitehouse's vehicle distribution subsidiary.

ELECTRONICS COMPANY FORMED

Leasemetrix, an electronic test equipment company, has been formed with backing of £90,000 from Small Business Capital Fund.

SBCF is the venture capital arm of the Co-operative Insurance Society managed by Development Capital. The new company's business will be in the short-term rental of sophisticated electronic test equipment.

The founders are Mr. David Rennie and Mr. Bob Mundy, who each have over 20 years' experience in the electronics industry and helped found Livingston Hire.

The company will have a capital of £50,000, and Mr. Rennie will be the principal majority shareholder. Of the £90,000 backing from SBCF, £70,000 will be in the form of loan capital. Substantial lines of leasing credit have also been negotiated from United Dominions Trust.

The company forecasts that pre-tax profits will be £100,000 by 1982.

HAWLEY LEISURE

Hawley Leisure has acquired **Sharps Bedroom Design**, manufacturer and installer of custom-built bedroom furniture, for £125,000 cash, 157,895 ordinary shares and £71,053, 12 per cent convertible Loan stock 1986-88.

Pre-tax profit of Sharps for the six months to October 31, 1978 was £49,674 on sales of £308,671. Net assets were £43,986.

The acquisition continues the policy of broadening the interests and should provide a useful contribution to results for current year, directors say.

ATTOCK PETROL

Steel Brothers has exercised its option to subscribe for 280,000 ordinary shares in **Attock Petroleum**, taking its total holding to 703,001 (approximately 18.8 per cent).

BELHAVEN SALE

The Riverside Motor Inn and Leisure complex at Loch Lomond has been sold by **Belhaven Brewery** for £350,000, but the complex is to remain tied to Belhaven beer sales for five years.

The brewery group say the proceeds will be used to repay Belhaven's sole remaining UK loan of £110,000 and to finance the development of brewery tied estate.

TREWAX MANUFG.

Grow Chemical Corporation of the U.S. has acquired a 50 per cent interest in **Trewax Manufacturing**, the UK manufacturer of carpet cleaners. The stake has been acquired as a result of Grow Chemical's take-over of Trewax Company of California.

The remaining 50 per cent of Trewax Manufacturing is owned by the Levy family interests.

LEA HATS

The acquisition of **Lea Hats** by **W. L. Pawson and Son** has now been completed. A total of 195,825 of the new shares have been placed privately on behalf of the vendors of Lea Hats.

RESULTS AND ACCOUNTS IN BRIEF

NEW SYLHET HOLDINGS—Profit for 1977 £51,635 (£72,031) after tax £53,744 (£559). Earnings per £1 share 26.63p (40.31p).

STEWART AND WIGHT—Profit for six months to September 23, 1978, £11,812 (£17,963). Depreciation and tax £5,155 (£6,976). Interim dividend 3 per cent. Directors say profit reduction partly due to lower interest received on fixed-term deposits withdrawn to purchase freehold of Northumberland Hotel and shops at 9 and 11 Euston Road. Another factor was fall in number of guests at hotel during summer.

JOS HOLDINGS (investment trust)—For six months to January 31, 1979, investment income £94,544 (£81,250) and other income £5,650 (£5,398). Net earnings for ordinary £59,490 (£49,983) after management expenses £11,420 (£10,240), interest £105 (£196) and tax £29,179 (£26,229). Earnings per 25p share 1.21p (1.01p) and interim dividend 0.875p (0.8p) net, costing £43,141. Valuation of investments, including net current assets, £3.23m (£3.19m at July 31, 1978) and net asset value 65.5p (64.7p). No provision has been made for tax on capital gains which may arise on future realisations of investments.

FIRST SCOTTISH AMERICAN TRUST—Net profit for year to February 1, 1979, £993,325 (£888,820) after all charges and tax. Final dividend 2.15p net per 25p share making 3.15p (2.85p) Earnings per share 3.32p (2.96p). NAV 132.1p (106.9p).

"INVESTING IN SUCCESS" EQUITIES—Revenue after tax £237,411 (£191,111) year to January 31, 1979. Retained £32,391 (£13,386). Final 2.4455p making 3.35p (2.904p) net per 25p share. Net asset value 242.21p (169.01p).

F. AND C. EUROTRUST—Revenue half-year to December 31, 1978, £59,700 (£32,500) before tax £28,100 (£14,200). Net asset value per 25p share 70.9p (60.4p).

ERNEST JONES (JEWELLERS)—Results for September 30, 1978 year, with prospects, reported February 21. Group fixed assets £1.48m (£1.33m), net current assets £2.37m (£0.99m). The company, which has "close" status, is seeking to open at least eight new branches over the next two years. Meeting, Howard Hotel, WC, March 21, noon.

LEDA INVESTMENT TRUST—Results for 1978 already reported. Investments listed in UK £3.56m (£3.41m), listed abroad £0.46m (£0.25m) and unlisted £7,215 (£5,000). Meeting, 44, Bloomsbury Square, WC, on March 20, at 11 am.

INTERNATIONAL INVESTMENT TRUST—Final 1.63p making 2.94p for year ended January 31, 1979 (2.62p). Total revenue £2,162,800 (£1,889,211). Tax £805,645 (£814,813). Revenue after tax £1,119,564 (£1,052,374). Earnings per share 3.19p (2.99p). Net asset value 106.5p (92.5p).

ALLIED INSULATORS—Results 1978 reported February 23 with chairman's observations on prospects. Group fixed assets £5.71m (£4.05m). Net current assets £4.98m (£4.43m)—cash and deposits £134,000 (£384,000) and overdraft £733,000 (£50,000). Adjusted profit before tax on a CCA basis £809,000 after depreciation £205,000 and cost of sales £300,000, adjustments £300,000, plus gearing adjustment £96,000. Meeting, Stoke on Trent, March 22, at 11.30 am

MELDRUM INVESTMENT TRUST—Results for 1978 already known. Investments at valuation £11.79m (£12.01m). Net current assets £450,320 (£376,280 liabilities). Increase in liquidity £989,000 (£1.19m decrease). Meeting, 2 St. Mary Axe, EC, March 20, 1 30 am.

CARDINAL INVESTMENT TRUST—Results for 1978 already known. Investments £19.89m (£19.5m). Net current assets £838,335 (£41,344). Increase in liquidity £1.45m (£326,187 decrease). Meeting, 1/2 Laurence Pountney Hill, EC, March 22 at noon.

THE NARBOROUGH (FMS) RUBBER ESTATE—For six months ended December 31, 1978, production 496,114 kg (487,524 kg) or 1,093,745 lb (1,074,807 lb), average price realised 36.6p (31.9p) per kg or 16.6p (14.5p) per pound. Net proceeds of sale of rubber crop £181,155 (£155,925), replanting cesses refunded £9,633 (£9,294), less general charges, tapping, manufacture and upkeep of estate, including provisions for depreciation and directors' fees £76,714 (£74,319). Income from investments, loan and fixed deposit interest received and sundry revenue £2,229 (£1,155), less replanting expenditure £7,077 (£3,572) leaving profit before tax £109,226 (£88,483).

J. AND H. B. JACKSON (iron, steel and non-ferrous merchant)—Results for September 30, 1978, year already reported. Group fixed assets £5.29m (£5.21m), investments £2.85m (£2.07m), net current assets £4.65m (£3.88m). Net liquid funds increased by £90,466 (£441,899 decrease). Chairman expects current year results to show satisfactory increase. Meeting, Coventry, March 27, 3 pm.

GENERAL CONSOLIDATED INVESTMENT TRUST—Results for 1978 already known. Investments listed at middle-market value in UK £17.23m (£17.21m), listed overseas £4.76m (£4.92m) and unlisted at directors' valuation £0.34m (£0.17m). Meeting, 8, Waterloo Place, SW, on March 29, at 2.45 pm.

Drayton Premier Investment Trust—Results for 1978, already reported. Investments listed at market value in UK £42.67m (£48.78m), listed elsewhere £33.28m (£25.13m). Unlisted at director's valuation; in equity share capital £2.25m (£2.33m), in other investments £20,543 (£19,774). Meeting, 117 Old Broad Street, EC, on March 30 at 12.15 pm.

BOC

BOC International Ltd

Although Airco did not become a subsidiary until 1 April 1978, to achieve comparability, Group sales and Group trading profit for last year and for the first three months of last year have been adjusted to include 100% of Airco.

Group profit, unaudited, for the three months to 31.12.78 was:

	Three months to 31.12.78 £ million	Three months to 31.12.77 £ million	Year to 30.9.78 £ million
Group sales	302.9	278.3	1,196.1
Operating costs	258.0	238.5	1,019.5
	44.9	39.8	176.6
Depreciation	19.9	15.8	64.4
	25.0	24.0	112.2
Group share of associated companies' profits, less losses	1.3	0.9	3.6
Group trading profit	26.3	24.9	115.8
Europe	5.5	1.6	26.0
Africa	3.4	3.7	15.5
Americas	12.0	14.2	49.1
Asia	0.4	0.9	4.1
Pacific	5.0	4.5	21.1
Group trading profit	26.3	24.9	115.8
Less Airco adjustment	—	10.2	18.4
	26.3	14.7	97.4
Interest	12.0	3.9	30.9
Group profit before tax	14.3	10.8	66.5
Tax	7.0	6.1	30.8
	7.3	4.7	35.7
Minorities	1.7	1.6	8.5
Available for disposal	5.6	3.1	27.2
Earnings per share —nil distribution basis	2.20p	0.95p	9.40p
—net basis (after ACT written off)	1.72p	0.95p	8.45p

Condensed balance sheet, unaudited, as at 31 December 1978

	At 31.12.78 £ million	At 30.9.78 £ million
Shareholders' funds	493.9	499.1
Minority shareholders' interests	61.7	68.6
Deferred taxation	22.3	23.1
Long-term liabilities	23.8	25.2
Net borrowings and finance leases	520.8	497.0
	1,122.5	1,113.0
Fixed assets	798.6	820.4
Associated companies and investments	26.2	18.3
Working capital (excluding bank balances and short term loans)	297.7	274.3
	1,122.5	1,113.0

1) The results of the Europe Region for the comparative quarter ended 31 December 1977 were depressed by the strike in the UK Gases Division which cost some £3.0 million in that quarter.

2) The Group's policy includes revaluing assets on to a replacement cost basis and charging depreciation on the revalued amounts. Trading profit for the three months to 31 December 1978 has been reduced by extra depreciation of £1.5 million provided in anticipation of further asset categories to be revalued before the end of the current financial year.

3) The strengthening of sterling during the quarter had only a minor effect on trading results; however, it did reduce the value of overseas assets and liabilities when incorporated in the consolidated Balance Sheet at 31 December 1978 with a consequent effect on shareholders' funds.

Further copies of this report may be obtained from the Secretary, BOC International Ltd, Hammersmith House, London W6 9DX. Tel. 01-748 2020.

THE MANCHESTER SHIP CANAL COMPANY

1978 RESULTS

	1978 £'000	1977 £'000
Profit	1,991	1,962
Taxation	970	1,054
Set aside for loan capital redemption	83	59
Dividends	798	729
Retained	140	120
Earnings per ordinary share	23.4p	20.4p

Final ordinary dividend 10.88%, making 17.517% for the year (1977 15.679%), payable April 9 to shareholders registered on March 9. Preference dividend 3.5% already paid.

Points from statement of the Chairman, Mr. D. K. Redford:

* improvement in first half not maintained; revenue lower in second half, due in part to industrial problems
* little change in total traffic tonnage but cargo handled by our dock labour force was down, especially at Manchester Docks and Ellesmere Port
* dredging expenditure continued at high level to year end but significant improvement now evident

A copy of the report and accounts may be obtained from the Secretary of the Company at Ship Canal House, King Street, Manchester M2 4WX.

UK COMPANY NEWS

M & G Group still arguing over dividend cover

BY TERRY OGG

The M and G Group has decided to carry on the struggle with the Treasury over its proposed dividend for 1978.

At yesterday's brief annual meeting, shareholders wholeheartedly agreed a resolution that would enable the Board to recommend a final dividend of up to 1.158p a share should the Treasury relent, and allow the divided by the net dividend. beyond the statutory 10 per cent.

The company has already declared an interim of 1.512p and a second interim of 2.350p.

The bone of contention is the method of calculating dividend cover. The Treasury says that cover is profits after actual tax dividend by the net dividend. But, if a company pays little UK corporation tax it would incur extra advance corporation tax were it to pay a high dividend. This notional extra ACT is not allowed for by the Treasury.

M and G argues that the cover calculation should be based on distributable profits. Under its method dividends could have been lifted by around 45 per cent to 5.02p and still be four times covered by earnings. Using the Treasury method there was no room for an increase above the normal 10 per cent.

It is unlikely that M and G will get approval to pay the full 1.158p final dividend proposed. But it is hopeful that there is room for compromise between the two positions that will enable it to give shareholders just a little more from 1978's profits.

Bullough forecasts increase

FURTHER growth in profits is expected by Bullough, engineering concern, for the current year, Mr. B. P. Jenks, chairman, tells shareholders in his annual review.

He says that while this growth will be below the 1978 increase, he feels it should be satisfactory. "We are actively seeking acquisitions which would add to profitability," he adds.

As reported on January 26 pre-tax profits rose by 62 per cent to a record £4.95m for the year ended October 31, 1978. Turnover expanded to £40m (£29.2m) and the dividend, with Treasury approval, is raised by 37 per cent to 7.684p net per share.

Mr. Jenks says the achievements during the year were considerably assisted by very good performances from two of the group's major companies, Project and Beanstalk, a turnround at Hago, and a satisfactory return from Newman Granger, which was purchased in February 1978.

A current cost statement reduces pre-tax profits to £4.06m (£2.24m) after extra depreciation £446,000 (£337,000), cost of sales £566,000 (£569,000) and the gearing factor £124,000 (£100,000).

Balance sheet shows fixed assets up to £10.02m (£6.33m) and net current assets at £7.64m (£4.69m). Working capital increased by £3.93m (£1.28m).

Meeting, 20 Cannon Street, EC, March 21 at 10.15 am.

ASSOCIATE DEALS

J. Henry Schroder Wagg which is advising Westinghouse Brake and Signal bought 20,000 Hawker Siddeley at 210p on behalf of associates discretionary investment clients.

Rowe and Pitman, Hurst-Brown, associates of Norcros, bought 3,000 Norcros at 89p for a dicretionary investment client.

Change Wares turns in £0.61m

RECORD RESULTS, as forecast, are reported by Change Wares for 1978. Turnover at £16.97m and profits of £614,850 compare with last September's forecast of £17m and not less than £580,000, respectively, for the enlarged group—the Stockwell group of companies was acquired in January, 1978.

For the 26 weeks ended December 31, 1977, the company incurred a loss of £97,896 on turnover of £3.61m.

As expected there is no tax charge, as no liability has arisen on the profits due to past trading losses and stock relief. There is an extraordinary debit of £43,000, however, representing an abnormal loss incurred on the disposal of plant and machinery, but this is covered by a transfer of the same amount from capital reserves.

On increased capital from last September's rights issue, earnings are shown as 3.07p per 10p share for the year against a loss of 0.024p for the 26 weeks. The dividend for the period totals 0.4p net with a final of 0.2p—for the previous 18 months a 0.4p interim was paid.

Dividends on the ordinary and participating preferred shares absorb £181,929 (£10,925). The amount retained at December 31, 1978, was £432,921 (£108,821 loss at December 31, 1977).

● comment

After a capital injection, a rights issue and a major acquisition, the new board at Change Wares has given itself every opportunity to set up a solid growth platform in the post recovery phase. Strong interim profits and the forecast accompanying the September rights issue had already pointed the way to the record performance for 1978, where the H. Stockwell purchase was probably worth £350,000 to pre-tax profits. This year, as last, Change Wares should pay no tax since it has about half the UK tax loss still to be taken and about £200,000 of relief on ACT to be brought back. A decision as to whether the German deficit should be treated as a revenue or a capital item, however, could make a difference of around £400,000 to the total tax loss balance. For the current year, Change Wares is cofident of organic growth and longer term prospects could be given a boost if a satisfactory licensing deal to manufacture equipment for the fast food trade can be negotiated with Bastian-Blessing. Given the close links between the two companies, a reasonable deal could be on the cards although it will entail a material investment in UK manufacturing capacity. The shares dropped 2p to 17p where the yield is 3.6 per cent and the p/e on stated earnings is 5.5.

GRANGE TRUST

Grange Trust has renewed its U.S.$ 2m loan for a further five years at a cost of 10⅞ per cent per annum.

Trafford Park ahead in first half

FROM INCREASED turnover of £1,620,933 compared with £1,416,348, profits before tax of Trafford Park Estates advanced from £463,115 to £547,192 for the half-year to December 31, 1978.

After tax of £206,000 (£163,000) and minorities, attributable surplus emerged ahead from £287,300 to £325,038.

The net interim dividend is lifted to 1.96183p (1.69741p) per 25p share, costing £163,224 (£141,225), and the directors expect to raise the current year gross total by 10 per cent—last year's net payments amounted to 4.05741p.

The directors are considering certain opportunities for developing the group which would give rise to a requirement for additional finance, and in order to provide flexibility for raising such finance they decided that a property valuation would be appropriate.

	Half year 1978 £	1977 £
Turnover	1,620,933	1,416,348
Rent receivable	917,529	820,186
Warehousing & other trading	703,404	596,162
Profits	774,920	658,537
Rentals	720,700	628,485
Warehousing & other trading	45,477	21,136
Sundry income	8,653	9,036
Interest payable	227,728	195,522
Profit before tax	547,192	463,115
Taxation	206,000	163,000
Net profit	341,192	300,115
Minority interest	16,154	12,815
Attributable	325,038	287,300

A substantially completed professional valuation has indicated that the total will not be less than £20m, which is £6m in excess of the book value.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1977							
4th qtr.	105.8	101.9	100	104.7	239.6	1,431	157
1978							
1st qtr.	106.9	102.1	100	106.4	246.4	1,409	188
2nd qtr.	110.9	104.7	98	107.9	254.4	1,367	213
3rd qtr.	111.2	104.9	103	110.7	266.8	1,380	213
4th qtr.	109.9	102.7		111.5	272.5	1,340	230
Sept.	110.5	104.2	107	109.6	265.9	1,378	219
Oct.	108.9	102.1	101	110.2	267.9	1,360	228
Nov.	109.6	102.5	101	110.5	269.7	1,339	231
Dec.	111.3	103.6		113.8	279.8	1,321	231
1979							
Jan.				109.5		1,339	236
Feb.						1,363	231

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
4th qtr.	104.9	97.1	114.3	98.2	95.4	100.2	20.7
1978							
1st qtr.	105.2	99.1	116.1	100.0	95.0	97.8	17.8
2nd qtr.	107.8	98.6	122.6	100.0	107.8	101.0	27.1
3rd qtr.	107.3	100.2	123.3	101.0	101.6	102.8	22.9
4th qtr.	106.3	96.5	123.0	96.0	97.5	100.6	20.6
August	109.0	101.0	123.0	103.0	92.0	104.0	20.3
Sept.	107.0	99.0	123.0	99.0	100.0	101.0	25.1
Oct.	106.0	96.0	121.0	96.0	98.0	100.0	24.5
Nov.	106.0	96.0	123.0	95.0	93.0	102.0	20.7
Dec.	107.0	98.0	125.0	98.0	101.0	101.0	16.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
4th qtr.	112.2	102.4	−16	+580	−659	102.4	20.39
1978							
1st qtr.	119.6	113.8	−690	−361	−626	105.4	20.63
2nd qtr.	122.2	110.0	−173	+135	−414	104.5	16.75
3rd qtr.	124.9	114.4	−365	−49	−501	105.7	16.55
4th qtr.	125.1	112.8	−1	+359	−480	106.7	15.77
Sept.	124.4	119.5	−216	−111	−179	106.3	16.51
Oct.	125.9	111.3	+40	+160	−135	106.0	15.97
Nov.	122.6	114.1	−108	+12	−162	107.3	15.67
Dec.	126.7	113.0	+67	+187	−183	106.8	15.69
1979							
Jan.	113.1	107.3	−119	+1	−60	107.7	16.26

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
4th qtr.	23.2	12.6	8.7	+698	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,263	6½
2nd qtr.	8.5	15.7	24.6	+3,391	694	1,398	10
3rd qtr.	16.8	5.3	8.6	+534	746	1,425	10
4th qtr.	9.7	9.7	8.8	+1,490	878	1,425	12½
Oct.	13.8	5.5	1.9	+541	363	470	10
Nov.	12.1	10.7	9.9	+113	261	506	12½
Dec.	9.7	9.7	8.8	+836	254	449	12½
1979							
Jan.	13.6	16.5	20.0	+839	289		12½
Feb.							14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.5	147.1	157.3	202.6	208.0	257.69	62.7
Sept.	134.2	144.2	155.7	200.2	206.3	253.74	62.7
Oct.	135.2	145.7	156.6	201.1	205.6	265.22	62.5
Nov.	136.1	147.3	157.1	202.5	207.9	263.63	62.5
Dec.	138.1	148.2	158.3	204.2	210.5	257.69	63.2
1979							
Jan.		150.6	159.8	207.2	217.5	260.63	63.4

* Not seasonally adjusted.

NOTICE OF REDEMPTION

To the Holders of

ARMCO International Finance Corporation

(now Armco Inc.)

7¼% Guaranteed Debentures Due 1980 Issued under Indenture dated as of April 1, 1968

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the above-mentioned Indenture, $1,404,000 principal amount of the above-described Debentures have been selected for redemption on April 1, 1979, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

Outstanding Debentures of $1,000 Each of Prefix "M" Bearing the Distinctive Numbers Ending in any of the Following Two Digits:

03 17 25 29 33 37 41 46 48 54 56 69 77 83 86 88 92 96
11 22 27 31 36 38 43 47 49 55 61 72 81 84 87 90 94

Also Outstanding Debentures of $1,000 each of Prefix "M". Bearing the Following Numbers:

139 2739 3839 4039 5439 6739 7939 8439 9839 10539 11039 12339 13639
839 3339 3939 4439 6239 7139 9239 9539 10239 10739 11939 12939

On April 1, 1979, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London and Paris, the main office of Banca Vonwiller & C. S.p.A. in Milan and the main office of Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by a transfer to a dollar account maintained by the payee, with a New York City bank.

Coupons due April 1, 1979, should be detached and collected in the usual manner.

On and after April 1, 1979, interest shall cease to accrue on the Debentures herein designated for redemption.

Dated: February 22, 1979.

ARMCO INC.

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF $1,000 EACH

M 60	892	2837	3606	4703	5608	6633	6846	6884	6039	7669	9364	9746	9772	10693	11955
278	1414	3146	3917	4705	5609	6702	6847	6903	6940	7769	9368	9748	9776	10696	11956
280	1894	3158	3918	4707	5610	6818	6865	6911	6944	7793	9375	9750	9777	10974	11957
282	1895	3518	3919	4793	5613	6820	6868	6912	6952	7796	9603	9754	10596	11054	11958
283	1896	3520	3923	5265	5614	6826	6870	6917	6954	7798	9715	9755	10597	11077	12103
342	1897	3521	3924	5593	5615	6827	6872	6922	6958	7800	9725	9759	10598	11244	12105
352	1901	3523	3926	5594	5802	6828	6875	6923	6961	7806	9729	9766	10608	11556	13499
354	1903	3526	3927	5601	6115	6830	6878	6933	6963	[illegible]	[illegible]	9767	10610	11557	13620
369	1930	3529	3930	5603	6390	6834	6882	6936	6964	9293	9742	9769	10657	11951	13737
873	2505	3530	3988	5604	6630	6839	6883	6937	7453	9356	9744	9771	10658	11953	14802

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Notice of Redemption

International Standard Electric Corporation

9% Sinking Fund Debentures due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 1, 1970 between International Standard Electric Corporation and The Chase Manhattan Bank (National Association), as Trustee, $4,500,000 in aggregate principal amount of the above-captioned Debentures will be redeemed for the sinking fund on April 1, 1979 at the redemption price of 100% of the principal amount thereof, together with accrued interest to April 1, 1979.

The numbers of the Debentures to be redeemed are as follows:

M24 1859 3468 5334 7390 9469 11418 12567 13548 14392 15349 16456 17388 18408 19501 20454 21468 22462 23546 24530 25630 26659 27801 28732
[illegible] 1865 3472 5337 7422 9467 11420 12580 13549 14393 15356 16460 17390 18411 19517 20457 21474 22465 23548 24534 25631 26663 27803 28744
30 1879 3489 5350 7427 9476 11424 12570 13552 14402 15357 16461 17392 18421 19526 20460 21483 22471 23553 24535 25632 26680 27804 28754
87 1888 3492 5352 7446 9491 11426 12577 13553 14404 15367 16467 17398 18422 19529 20461 21488 22480 23555 24536 25638 26681 27806 28757
90 1905 3494 5363 7461 9495 11428 12578 13554 14407 15382 16472 17406 18425 19533 20465 21494 22489 23556 24538 25639 26688 27815 28760
101 1918 3497 5370 7464 9502 11430 12579 13555 14409 15394 16478 17408 18427 19538 20468 21502 22528 23566 24540 25641 26705 27819 28766
115 1929 3503 5372 7481 9504 11452 12581 13556 14412 15404 16482 17414 18435 19545 20479 21503 22531 23570 24551 25645 26709 27825 28785
116 [illegible] 9518 11460 12583 13572 14416 15408 16483 17415 18436 19548 20501 21504 22532 23579 24563 25646 26718 27826 28790
119 1940 3520 5413 7495 9525 11462 12586 13588 14419 15412 16484 17432 18440 19550 20525 21505 22539 23599 24564 25651 26719 27835 28794
121 1952 3539 5425 7502 9530 11468 12596 13590 14420 15413 16487 17437 18441 19552 20526 21510 22553 23600 24566 25679 26724 27837 28796
137 1966 3547 5428 7507 9540 11487 12606 13597 14434 15418 16488 17443 18464 19567 20529 21511 22554 23609 24574 25680 26725 27839 28797
143 1983 3557 5446 7509 9554 11496 12624 13602 14437 15421 16493 17447 18466 19573 20531 21514 22563 23613 24583 25686 26726 27844 28805
144 1988 3560 5451 7514 9571 11498 12628 13605 14448 15422 16498 17456 18475 19574 20539 21524 22568 23620 24585 25690 26732 27874 28815
172 [illegible] 9700 11501 12632 13617 14451 15438 16503 17457 18484 19584 20542 21525 22573 23624 24588 25691 26753 27879 28823
[illegible]
1685 3304 5121 7176 9164 11272 12433 13443 14340 15255 16372 17293 18284 19397 20398 21313 22375 23463 24389 25399 26538 27500 28661 29928
1689 3313 5123 7191 9181 11276 12437 13444 14341 15258 16377 17294 18292 19400 20403 21320 22377 23471 24393 25401 26549 27502 28664 29934
1691 3318 5137 7211 9192 11282 12442 13451 14345 15266 16387 17297 18293 19416 20404 21321 22378 23474 24403 25439 26574 27503 28668 29936
1695 3320 5156 7213 9194 11287 12445 13453 14348 15272 16388 17298 18304 19417 20405 21323 22394 23475 24414 25442 26578 27531 28672 29946
1708 3338 5163 7223 9208 11297 12446 13468 14357 15274 16390 17299 18329 19418 20407 21324 22396 23478 24428 25446 26582 27536 28674 29950
1714 3340 5169 7225 9212 11300 12449 13487 14358 15275 16398 17301 18342 19419 20410 21325 22398 23486 24434 25469 26583 27543 28676 29956
1719 3345 5170 7237 9226 11311 12450 13490 14361 15282 16400 17302 18352 19434 20412 21326 22400 23487 24447 25473 26585 27545 28678 29960
1727 3352 5176 7242 9237 11317 12451 13492 14363 15287 16409 17317 18353 19438 20414 21341 22401 23489 24448 25474 26587 27547 28687 29963
1729 3356 5196 7246 9242 11327 12452 13498 14365 15293 16415 17320 18357 19440 20420 21351 22405 23499 24453 25488 26591 27548 28691 29964
1733 3359 5198 7260 9248 11329 12459 13499 14367 15298 16420 17322 18360 19441 20424 21356 22413 23501 24454 25489 26597 27549 28692
1742 3368 5208 7272 9254 11383 12477 13508 14368 15302 16421 17330 18361 19442 20430 21360 22432 23502 24455 25492 26601 27556 28698
1746 3370 5237 7274 9303 11343 12494 13512 14369 15305 16422 17351 18364 19446 20432 21362 22435 23504 24463 25493 26603 27566 28699
1750 3372 5246 7276 9315 11356 12498 13522 14370 15309 16425 17352 18367 19449 20434 21367 22437 23506 24464 25494 26607 27587 28701
1764 3420 5248 7279 9317 11366 12501 13525 14371 15314 16433 17354 18374 19463 20436 21382 22438 23510 24476 25496 26618 27659 28706
1805 3422 5252 7289 9331 11371 12517 13531 14373 15335 16436 17356 18376 19473 20437 21407 22440 23511 24478 25527 26621 27675 28707
1828 3431 5271 7325 9354 11382 12518 13534 14376 15339 16437 17360 18381 19475 20438 21427 22443 23512 24480 25601 26623 27677 28716
1840 3440 5280 7327 9357 11389 12521 13537 14380 15343 16439 17368 18387 19481 20446 21432 22449 23517 24488 25602 26625 27678 28718
1845 3442 5283 7356 9400 11392 12527 13539 14383 15344 16442 17369 18393 19484 20447 21434 22450 23518 24498 25603 26629 27681 28719
1849 3449 5285 7359 9402 11400 12531 13541 14385 15345 16443 17380 18396 19485 20448 21452 22451 23529 24499 25620 26639 27687 28723
1852 3453 5295 7381 9424 11410 12532 13542 14387 15346 16452 17381 18399 19491 20450 21454 22455 23535 24501 25622 26644 27690 28726
1855 3466 5316 7388 9452 11414 12535 13544 14391 15348 16454 17387 18405 19494 20453 21462 22460 23536 24506 25629 26655 27691 28731

On April 1, 1979, there will become due and payable on the Debentures to be redeemed the principal amount thereof together with accrued interest to April 1, 1979. On and after April 1, 1979 interest on the Debentures to be redeemed shall cease to accrue.

Payment of Debentures to be redeemed will be made on or after April 1, 1979 upon presentation and surrender of said Debentures, with all coupons appertaining thereto maturing after April 1, 1979 at any one of the following banks:

The Chase Manhattan Bank, National Association (Corporate Bond Redemptions) 1 New York Plaza, 14th Floor New York, New York 10015

The Chase Manhattan Bank, National Association Woolgate House Coleman Street London E.C. 2, England

The Chase Manhattan Bank, National Association 41 Rue Cambon Paris, France

Hollandsche Bank-Unie N.V. Herengracht 434 Amsterdam, Netherlands

Societe Generale de Banque S.A. Brussels, Belgium

Dresdner Bank Aktiengesellschaft Frankfurt, Germany

Banque Generale du Luxembourg S.A. 53 Boulevard Royale Luxembourg, Luxembourg

Banca Commerciale Italiana Piazza della Scala 6 Milan, Italy

Interest accrued and unpaid to April 1, 1979 on said Debentures will be paid in the usual manner.

INTERNATIONAL STANDARD ELECTRIC CORPORATION

Dated: March 1, 1979

هكذا من الأجل

A relatively quiet season for results

Trading profits of those industrial companies reporting between late spring and early summer last year showed a slight fall, as the latest FT survey on industrial profits shows.

The survey of 205 companies covers a relatively quiet season for results and the figures should be interpreted with some care.

The dismal findings, on the other hand, compare with a near 20 per cent rise in trading profits of 166 industrial companies in the equivalent period of 1977 and a 9.9 per cent rise from 400 industrial companies with account year ends between January 15 and April 14, 1978, published in a similar survey two months ago.

In the latest period overall profits from companies in the consumer non-durable sector, despite healthy increases from hotels, food retailing, newspapers and stores, fell by 5.2 per cent. Consumer durables enjoyed better times with a 10.6 per cent advance in trading profits.

Despite unchanged profits, one notable feature of the survey is the 16.9 per cent increase in dividends paid out by those companies in the sample. A lower aggregate tax charge also allowed earnings to move ahead by 4.6 per cent.

Overall net return on capital slipped back over the year from 19.4 per cent to 18.3 per cent, reflecting a lower figure in four-fifths of the industrial sectors covered. Office equipment, with a 52.5 per cent net return on capital, stores and newspapers were notable exceptions.

TREND OF INDUSTRIAL PROFITS
ANALYSIS OF 205 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with preceding year's comparison in brackets) of 205 companies whose account year ended in the period between April 15, 1978 and July 14, 1978, which published their reports up to the end of January 1979. (Figures in £000.)

INDUSTRY	No. of Cos.	Trading Profits (1)	% chnge	Profits before Int. & Tax (2)	Pre tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap. % (9)	Net Current assets (10)
BUILDING MATERIALS	1	1,913 (1,981)	−3.4	1,292 (1,424)	969 (1,057)	508 (571)	327 (358)	−8.7	330 (329)	—	489 (458)	9,364 (10,604)	13.8 (13.4)	2,389 (2,106)
CONTRACTING & CONSTRUCTIONS	15	42,423 (37,727)	+12.4	35,051 (30,974)	26,136 (21,116)	5,704 (6,745)	20,337 (14,105)	+44.2	6,027 (4,905)	+22.9	19,878 (14,303)	205,986 (153,687)	17.0 (20.1)	94,350 (76,865)
ELECTRICALS EX ELECTRN. ETC.	8	10,992 (10,571)	+4.0	9,109 (9,005)	8,484 (8,214)	3,759 (3,938)	4,725 (4,279)	+10.4	2,052 (1,768)	+14.8	3,897 (3,527)	35,184 (30,262)	25.9 (29.7)	15,652 (16,164)
ENGINEERING	18	41,249 (39,753)	+7.7	32,328 (32,282)	28,475 (28,102)	12,659 (12,201)	15,208 (13,647)	+11.4	4,257 (4,354)	−2.2	17,052 (14,368)	190,770 (185,736)	16.9 (17.4)	102,061 (86,062)
MACHINE TOOLS	1	933 (694)	+34.4	720 (513)	636 (412)	260 (215)	375 (199)	+88.4	58 (52)	+11.5	436 (249)	3,585 (1,158)	20.1 (44.3)	1,495 (1,348)
MISC. CAPITAL GOODS	5	31,159 (29,354)	+6.1	24,494 (24,056)	19,160 (18,178)	3,305 (4,445)	15,176 (13,060)	+16.2	5,808 (3,921)	+48.1	15,194 (13,586)	183,554 (165,485)	13.3 (15.5)	91,834 (65 078)
TOTAL CAPITAL GOODS	48	128,689 (120,080)	+7.1	102,994 (98,254)	83,860 (77,079)	26,195 (28,108)	56,148 (45,848)	+23.0	18,532 (15,349)	+20.7	56,946 (46,499)	628,443 (536,922)	16.4 (18.3)	308,699 (247,631)
ELECTRONICS RADIO & TV	8	19,525 (18,028)	+8.3	9,549 (9,499)	7,731 (7,630)	3,889 (2,552)	3,790 (5,012)	−24.4	1,603 (1,434)	+11.8	11,438 (11,488)	49,147 (45,148)	19.4 (21.0)	13,834 (6,593)
HOUSEHOLD GOODS	9	12,463 (12,241)	+1.8	8,692 (8,921)	7,289 (7,486)	3,417 (3,326)	3,830 (4,110)	−6.8	1,362 (1,081)	+26.0	5,325 (5,528)	61,308 (57,933)	14.2 (15.4)	26,896 (22,836)
MOTORS & COMPONENTS	4	17,874 (14,830)	+20.5	13,589 (11,517)	11,524 (8,819)	4,841 (4,594)	6,781 (4,189)	[illegible]	1,725 (1,510)	+14.5	8,373 (5,537)	72,045 (60,372)	18.8 (19.1)	37,266 (34,228)
MOTOR DISTRIBUTORS	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TOTAL CONSUMER DURABLES	21	49,862 (45,099)	+10.6	31,800 (29,937)	26,544 (23,935)	12,147 (10,482)	14,341 (13,251)	+8.2	4,694 (4,025)	+16.6	25,136 (22,553)	182,494 (163,463)	17.4 (18.3)	67,896 (53,652)
BREWERIES	3	56,751 (56,637)	+0.2	46,126 (47,586)	41,442 (42,395)	9,109 (21,420)	31,686 (20,388)	+55.4	11,094 (9,303)	+19.2	30,433 (19,453)	337,215 (309,885)	13.7 (15.4)	40,456 (30,224)
DISTILLERS & WINES	1	2,561 (2,604)	−1.7	2,100 (2,130)	1,903 (2,006)	995 (1,017)	640 (724)	−11.6	244 (219)	+11.4	657 (699)	10,642 (9,316)	19.7 ([illegible])	5,891 (5,736)
HOTELS & CATERERS	1	749 (608)	+23.2	6,77 (5,40)	580 (433)	246 (154)	331 (277)	+19.5	99 (54)	+83.3	337 (226)	3,443 (2,716)	19.7 (19.9)	−408 (−184)
LEISURE	6	81,129 (114,471)	−29.1	54,781 (91,928)	53,054 (76,305)	19,421 (36,805)	16,907 (34,720)	−51.3	11,581 (10,653)	+8.7	28,241 (44,006)	406,110 (699,796)	13.6 (13.1)	75,981 (88,498)
FOOD MANUFACTURING	6	72,073 (81,353)	−11.4	60,290 (70,865)	47,595 (57,694)	19,374 (21,259)	25,634 (33,019)	−22.4	8,947 (7,859)	+13.8	27,053 (35,700)	346,596 (357,896)	17.4 (19.8)	143,087 (164,456)
FOOD RETAILING	7	51,410 (50,278)	+22.1	48,656 (46,687)	45,685 (45,525)	[illegible] (17,946)	27,746 (27,514)	+0.8	6,461 (5,191)	+24.8	35,246 (31,659)	198,148 (156,931)	24.6 (31.1)	16,197 (12,502)
NEWSPAPERS AND PUBLISHERS	2	6,197 (4,537)	+36.6	5,036 (3,346)	4,925 (2,778)	[illegible] (1,086)	2,655 (1,695)	+56.6	670 (606)	+10.6	2,856 (2,117)	14,392 (12,882)	35.0 (22.9)	3,796 (2,998)
PACKAGING AND PAPER	5	4,599 (4,246)	+8.3	3,826 (3,591)	3,784 (3,514)	1,996 (1,865)	1,788 (1,649)	+8.4	495 (444)	+11.5	1,808 (1,636)	11,424 (10,582)	33.5 (34.0)	7,046 (7,298)
STORES	5	11,031 (6,045)	+82.5	9,351 (4,912)	9,327 (4,577)	620 (1,717)	8,707 (2,858)	+204.8	839 (711)	+18.0	8,875 (2,871)	30,227 (23,400)	31.5 (21.0)	16,778 (10,726)
CLOTHING AND FOOTWEAR	17	28,018 (25,195)	+11.2	22,954 (20,984)	20,600 (18,726)	7,842 (8,437)	12,597 (10,226)	+23.2	3,205 (2,801)	+14.3	12,860 (10 185)	108,724 (75,441)	21.1 (27.4)	51,395 (43,240)
TEXTILES	8	14,286 (12,010)	+18.8	11,340 (10,129)	10,673 (8,957)	6,018 (3,752)	5,616 (6,089)	+8.4	1,285 (1,136)	+12.9	6,475 (5,913)	45,482 (32,696)	24.9 (26.2)	23,808 (19 [illegible])
TOBACCO	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TOYS AND GAMES	2	4,930 (4,790)	+2.9	3,948 (3,968)	3,432 (3,508)	425 (255)	3,005 (3,230)	−7.0	588 (455)	+28.9	3,124 (3,263)	21,308 (17,687)	18.0 (22.4)	9,134 (6,451)
TOTAL CONSUMER NON-DURABLES	61	343,714 (362,747)	−5.2	269,165 (308,575)	227,898 (266,396)	85,147 (115,683)	137,216 (141,392)	−3.0	45,524 (39,435)	+15.4	158,860 (187,678)	1,551,640 (1,715,868)	17.6 (18.0)	392,152 (376,512)
CHEMICALS	8	110,557 (110,297)	+0.3	98,809 (96,156)	89,557 (89,868)	43,949 (44,153)	44,582 (44,234)	+0.3	10,094 (9,029)	+11.8	47,226 (46,331)	412,477 (364,941)	23.8 (26.3)	188,985 (201,645)
OFFICE EQUIPMENT	2	9,049 (7,891)	+14.7	8,041 (6,987)	7,699 (6,514)	4,053 (3,458)	3,647 (3,090)	+18.0	1,363 (621)	+119.8	2,845 (2,975)	15,299 (14,437)	52.5 (48.4)	9,262 (10,267)
SHIPPING	1	1,124 (1,527)	−26.4	294 (476)	−468 (−564)	— (—)	−480 (−884)	+14.9	183 (175)	+4.6	77 (280)	14,432 (28,542)	2.0 (1.7)	725 (−3,556)
MISC. INDUSTRIAL	8	50,327 (51,468)	−2.2	36,930 (39,049)	30,614 (28,488)	12,760 (14,445)	16,480 (12,792)	+28.8	5,513 (4,847)	+13.7	22,547 (18,741)	207,036 (175,170)	17.8 (22.3)	72,652 (70,185)
TOTAL INDUSTRIALS	143	693,302 (699,109)	−0.8	547,433 (581,435)	465,806 (491,816)	184,251 (216,329)	271,734 (259,863)	+4.6	85,905 (73,479)	+16.9	310,639 (296,265)	2,891,821 (2,999,333)	18.3 (19.4)	1,040,471 (956,334)
OIL	1	75 (279)	−73.1	2 (216)	−62 (110)	— (—)	−62 (110)	−156.4	— (—)	—	−46 (125)	3,946 (4,004)	— (5.4)	−325 (447)
BANKS	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	—	— (—)
DISCOUNT HOUSES MERCHANT BANKS etc.	1	1,915 (1,509)	+26.9	— (—)	— (—)	— (—)	1,673 (1,271)	+31.6	739 (656)	+12.6	— (—)	*433,800 (*403,337)	—	10,484 (9,550)
HIRE PURCHASE	1	102,100 (123,170)	−17.1	86,710 (112,070)	17,000 (12,200)	4,180 (6,200)	11,120 (3,100)	[illegible]	— (—)	—	26,630 (13,900)	179,600 (111,800)	48.3 (100.6)	81,600 (164,200)
INSURANCE	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INVESTMENT TRUSTS	25	36,186 (33,973)	+9.7	35,861 (32,591)	29,498 (26,458)	10,653 (9,670)	18,311 (16,072)	+13.9	16,709 (14,469)	+15.5	1,601 (1,614)	707,309) 597,005	5.1 (5.5)	24,594 (15,031)
PROPERTY	15	26,751 (19,377)	+38.1	25,360 (14,816)	16,094 (5,051)	5,562 (4,799)	9,479 (31)	+30477	4,236 (3,514)	+20.5	5,817 (−2,797)	358,314 (312,858)	7.1 (4.7)	−20,120 (−20,423)
MISC. FINANCIAL	9	20,312 (14,827)	+37.0	17,063 (12,562)	12,505 (8,781)	4,783 (4,105)	8,432 (4 214)	+100.1	5,146 (2,208)	+42.4	7,054 (5,251)	147,769 (147,968)	11.5 (8.5)	17,809 (14,893)
TOTAL FINANCIAL	51	167,263 (191,856)	−2.4	165,014 (172,039)	75,191 (52 490)	25,178 (24,774)	48,016 (25,288)	+95.8	24,829 (20,836)	+19.2	40,102 (15,978)	†1,392,992 (†1,166,731)	11.8 (14.7)	114,367 (183,251)
RUBBERS	3	985 (1,188)	−17.1	918 (1,132)	918 (1,131)	543 (570)	375 (561)	−33.2	247 (433)	−43.0	178 (168)	4,548 (4,394)	20.2 (25.8)	1,121 (1,455)
TEA	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
TIN	1	4,096 (3,362)	+21.8	3,450 (2,433)	3,024 (1,996)	754 (984)	1,887 (966)	+95.3	235 (211)	+11.4	2,154 (1,582)	19,064 (13,313)	18.1 (18.3)	1,665 (1,014)
MISCELLANEOUS MINING	1	65,119 (60,132)	[illegible]	48,782 (44,474)	43,054 (38,697)	14,431 (18,852)	25,558 (17,848)	+43.1	8,705 (7,789)	+11.7	22,685 (14,598)	302,968 (304,903)	16.1 (14.6)	39,980 (37,755)
OVERSEAS TRADERS	8	106,438 (86,984)	+22.4	77,549 (72,724)	57,460 (52,902)	25,036 (24,544)	30,023 (25,026)	+20.0	9,177 (6,873)	+19.0	36,062 (30,435)	481,633 (471,398)	16.1 (15.4)	162,227 (151,058)
TOTAL COMMODITIES	10	186,638 (141,666)	+17.6	130,699 (120,758)	104,456 (94,726)	40,764 (44,950)	57,883 (43,801)	+32.0	17,362 (15,306)	+13.4	61,079 (46,783)	808,213 (794,008)	16.2 (15.3)	[illegible] (191,288)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits plus investment and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest, but before deducting taxation provisions and minority interests. In the case of Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation including Dominion, Colonial and Foreign liability and future tax provisions but excludes adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—
1—Minority interests.
2—All prior charges—sinking fund payments, etc., and Preference dividends and
3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses, insurances, etc.

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

Cwmbran £3m road scheme

CWMBRAN Development Corporation proposes to build a single carriageway road generally following the route of the disused Monmouth Eastern Valleys railway line from the A.4042 trunk road to Clomendy Road, Cwmbran.

Roundabouts are planned for Ty-Coch Lane and Henllys Way, and three bridges will be needed to carry existing roads over the new one—Cwmbran Drive. The scheme is expected to cost about £3m.

TSB issues ¼m Trustcards in 3 months

MORE THAN 250,000 of the Trustee Savings Bank's 5m customers have applied for Trustcard, the bank's own-branded VISA card, since it started three months ago.

Mr. Ken Cherrett, Trustcard general manager, said: "The TSB has already overtaken the card operations of several other banks, and we expect applications to reach the half million mark this year."

Trustcard can be used as a charge card to pay for goods and services at any of 110,000 retailers displaying the VISA sign; as a cash card to obtain advances at any of the 5,400 VISA affiliated bank branches; as a cheque guarantee card in respect of personal TSB cheques up to £50 per transaction; and as a travel card valid world-wide with over 70,000 bank branches and many merchants.

GLC opposes superstore plan

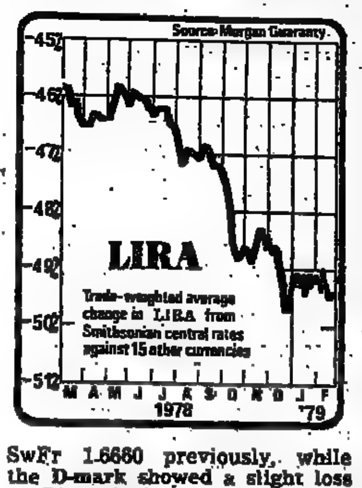
PROPOSALS to build an ASDA superstore on open land in Merton, Surrey, are being opposed by the Greater London Council.

Mrs. Joan Wykes, chairman of the GLC's South Area Planning Committee, said "GLC policies aim at improving existing shopping centres rather than encouraging the indiscriminate building of new stores in new places."

Pound & dollar quietly firm

Trading was again subdued in the foreign exchange market yesterday, with the dollar improving towards the close and sterling remaining firm for most of the day. The U.S. unit weakened slightly soon after the open, but quickly rallied to finish at its best level. The U.S. authorities may have taken advantage of the subdued conditions to bolster their currency a little ahead of U.S. trade figures for January, due out yesterday evening.

Against the Swiss franc it finished at SwFr 1.6685 against SwFr 1.6660 previously, while the D-mark showed a slight loss at DM 1.8515 from DM 1.8510. The Japanese yen also closed down at Y202.40, compared with Y201.90 on Tuesday. On Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened very slightly to 8.3 per cent from 8.2 per cent. On Bank of England figures its index was unchanged at 84.4.



Sterling opened at $2.0265-2.0275 with sentiment improved by the probability of a peaceful settlement to the miners' wage claim and continued demand for gilt edged stocks. With the dollar easing slightly in the morning, the pound touched a best level of $2.0285 before coming back to $2.0240 by noon. The firmness of the U.S. unit during the afternoon pushed the rate down to $2.0215 before recovering to close at $2.0230-$2.040, a rise of just 10 points from Tuesday. Sterling's steadiness against other major currencies were reflected in its trade weighted index, which remained at 64.3, having stood at 64.3 at noon and 64.4 in the morning.

FRANKFURT — The dollar was fixed at DM 1.8515 yesterday, compared with Tuesday's level of DM 1.8467 and there was no intervention at that time by the Bundesbank. Demand for the U.S. unit pushed up the rate to DM 1.8530, after an opening level of DM 1.8470 but there appeared to be little in the way of fresh factors to influence trading.

MILAN — The lira showed a rather mixed performance yesterday, losing ground to the dollar but improving against the D-mark and Swiss franc. Trading was described as extremely quiet and the dollar was fixed at L840.2 against L839.80 previously. Sterling was quoted at L1,700.15, little changed from Tuesday's level of L1,700.25, while the D-mark declined to L453.32 from L454.70.

ZURICH — After opening at SwFr 1.6620, the dollar improved during early trading to touch SwFr 1.6690 before easing to SwFr 1.6680. The U.S. currency was also stronger in terms of the D-mark at DM 1.8510 against DM 1.8480. Market sources suggested that the dollar had benefited from sterling's slight turn around after possible intervention by the Bank of England.

NEW YORK—Trading was at a low level ahead of the U.S. trade figures due later in the day with the dollar showing a mixed performance and sterling continuing to improve. Against the D-mark, the dollar was quoted at DM 1.8515 against DM 1.8505 on Tuesday while in terms of the Swiss franc it eased slightly to SwFr 1.6665 from SwFr 1.6670.

AMSTERDAM — Yesterday's fixing of Fl 2.000 showed a slight improvement for the dollar over the guilder, after Tuesday's level of Fl 1.9960.

TOKYO—The dollar closed slightly firmer against the yen yesterday at Y202.35 compared with an opening level of Y202.30 and Tuesday's close of Y202.02½.

THE POUND SPOT AND FORWARD

Feb. 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0215-2.0285	2.0230-2.0240	0.62-0.52c pm	3.38	1.02-0.92 pm	1.92
Canada	2.4120-2.4205	2.4125-2.4135	0.60-0.50c pm	2.74	1.05-0.95 pm	1.65
Nethlnd.	4.03½-4.08	4.04-4.05	2½-1½c pm	5.93	5⅝-4⅞ pm	5.32
Belgium	59.05-59.35	59.10-59.20	30-20c pm	5.07	75-65 pm	4.73
Denmark	10.43½-10.49	10.47½-10.48½	2ore pm-par	1.15	¼-2¼ dis	−0.48
W. Ger.	3.73½-3.76½	3.74½-3.75½	3⅛-2⅞pf pm	9.20	8⅝-7⅞ pm	8.67
Portugal	95.85-96.65	96.05-96.55	30-100c dis	−8.10	20-200 dis	−4.98
Spain	139.65-139.90	139.80-139.90	25c pm-25c dis	par	30pm-70dis	−0.57
Italy	1,698-1,702	1,698-1,702	4½-2½ore pm	4.08	3¼-1¾ pm	0.65
Norway	10.27-10.30	10.27¾-10.28¾	3½-1½lire pm	1.77	9-7 pm	3.11
France	8.62½-8.65½	8.64-8.65	4¾-3¾c pm	5.90	10½-9½ pm	4.51
Sweden	8.81-8.84	8.81½-8.82½	3¼-1½ore pm	3.08	8-6 pm	3.17
Japan	405-415	409-411	3.85-3.55y pm	10.83	9.35-9.05 pm	8.97
Austria	27.40-27.52	27.43-27.48	22-12gro pm	7.43	57-47 pm	7.72
Switz.	3.38-3.39	3.37¾-3.38¾	4-3c pm	12.44	11-10 pm	12.44

Belgium rate is for convertible francs. Financial franc 60.00-60.10
Six-month forward dollar 1.37-1.27c pm; 12-month 2.75-2.65c pm.

THE DOLLAR SPOT AND FORWARD

Feb. 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	2.0215-2.0285	2.0230-2.0240	0.62-0.52c pm	3.38	1.02-0.92 pm	1.92
Ireland	2.0215-2.0285	2.0230-2.0240	0.62-0.52c pm	3.38	1.02-0.92 pm	1.92
Canada†	83.73-83.83	83.78-83.81	0.07-0.05c dis	−0.76	0.07-0.04dis	−0.25
Nethlnd.	1.9962-2.0005	1.9985-2.0005	0.48-0.43c pm	2.59	1.81-1.76 pm	3.39
Belgium	29.19-29.26	29.23-29.25	6-5c pm	2.22	2½-21 pm	2.76
Denmark	5.1550-5.1810	5.1790-5.1810	0.85-1.35ore dis	−2.55	2.85-3.35dis	−2.39
W. Ger.	1.8478-1.8520	1.8510-1.8520	0.96-0.92pf pm	5.78	3.12-3.08 pm	6.51
Portugal	47.45-47.58	47.50-47.58	30-40c dis	−8.83	70-135 dis	−8.62
Spain	68.96-69.15	69.10-69.15	15-25c dis	−3.36	45-55 dis	−2.77
Italy	839.85-841.00	840.0-840.3	1.00-1.30lire dis	−1.64	3.00-3.50dis	−1.56
Norway	5.0740-5.0825	5.0815-5.0825	0.60-0.20ore pm	0.94	1.60-1.40 pm	1.21
France	4.2635-4.2720	4.2700-4.2720	1.10-1.00c pm	2.86	3.15-3.00 pm	2.72
Sweden	4.3555-4.3600	4.3580-4.3590	0.55-0.35ore pm	1.24	2.00-1.80 pm	1.74
Japan	201.85-202.40	202.20-202.40	1.30-1.20y pm	7.48	3.65-3.55 pm	6.83
Austria	13.5375-13.5675	13.5625-13.5675	6.50-5.75gro pm	5.25	20.5-18 50 pm	5.52
Switz.	1.6640-1.6683	1.6673-1.6683	1.40-1.36c pm	9.52	4.50-4.46 pm	10.30

† U.S. cents per Canadian $.

CURRENCY RATES

February 27	Bank rate %	Special Drawing Rights	European Unit of Account
Sterling	12½	0.637118	0.670780
U.S. $	9½	1.28991	1.35803
Canadian $	11¼	1.54260	1.62556
Austria Sch.	4½	17.4589	18.3877
Belgian F.	6	37.6363	39.6504
Danish K.	8	6.65014	6.99659
D mark	3	2.38208	2.50895
Guilder	6½	2.57486	2.71089
French Fr.	9½	5.50147	5.78859
Lira	10½	1083.20	1140.40
Yen	3½	260.433	274.471
Nrwgn. K.	7	6.55081	6.89742
Spanish Pes.	8	88.9741	93.7174
Swedish Kr.	6½	5.60685	5.90678
Swiss Fr.	1	2.14319	2.25636

CURRENCY MOVEMENTS

February 28	Bank of England Index	Morgan Guaranty changes %
Sterling	64.31	−40.0
U.S. dollar	84.45	−8.3
Canadian dollar	78.80	−18.7
Austrian schilling	147.34	+19.8
Belgian franc	114.79	+15.8
Danish krone	117.77	+6.8
Deutsche Mark	150.73	+42.3
Swiss franc	195.76	+82.4
Guilder	125.13	+21.0
French franc	99.46	−6.2
Lira	54.18	−49.4
Yen	142.58	+41.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

OTHER MARKETS

Feb. 28	£	$		£ Note Rates
Argentina Peso	2220-2250	1097-1102	Austria	26.75-27.75
Australia Dollar	1.7910-1.7960	0.8850-0.8875	Belgium	59.5-60.5
Brazil Cruzeiro	44.35-45.35	21.92-22.42	Denmark	10.36-10.46
Finland Markka	8.03-8.04	3.9715-3.9785	France	8.56-8.66
Greek Drachma	72.912-74.690	36.03-36.92	Germany	3.67-3.77
Hong Kong Dollar	9.75¼-9.77¼	4.8200-4.8330	Italy	1,670-1,720
Iran Rial	147.70-157.80	73-78	Japan	406-416
Kuwait Dinar (KD)	0.551-0.561	0.2745-0.2746	Netherlands	3.97-4.07
Luxembourg Frc.	59.05-59.15	29.23-29.25	Norway	10.23-10.33
Malaysia Dollar	4.42¾-4.44	2.1880-2.1900	Portugal	90-97
New Zealand Dlr.	1.9130-1.9190	0.9455-0.9485	Spain	139.5-144.5
Saudi Arab. Riyal	6.76-6.86	3.3600-3.3610	Switzerland	3.30-3.40
Singapore Dollar	4.37½-4.38¾	2.1650-2.1660	United States	2.0200-2.0300
Sth. African Rand	1.7039-1.7153	0.8420-0.8477	Yugoslavia	41.45

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Feb. 28	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.024	3.750	410.0	8.646	3.371	4.045	1699.	2.413	59.15
U.S. Dollar	0.494	1.	1.855	202.6	4.272	1.669	1.999	839.5	1.192	29.23
Deutschemark	0.267	0.540	1.	109.3	2.306	0.901	1.079	453.0	0.643	15.77
Japanese Yen 1,000	2.439	4.935	9.146	1000.	21.09	8.238	9.866	4143.	5.885	144.3
French Franc 10	1.157	2.341	4.338	474.5	10.	3.907	4.679	1965.	2.791	68.42
Swiss Franc	0.296	0.599	1.110	121.4	2.560	1.	1.198	503.0	0.714	17.51
Dutch Guilder	0.247	0.500	0.927	101.4	2.137	0.835	1.	420.0	0.597	14.62
Italian Lira 1,000	0.589	1.191	2.208	241.4	5.089	1.988	2.381	1000.	1.420	34.82
Canadian Dollar	0.414	0.839	1.554	169.9	3.583	1.400	1.676	704.0	1.	24.51
Belgian Franc 100	1.691	3.421	6.340	693.2	14.62	5.710	6.839	2872.	4.079	100.

EURO-CURRENCY INTEREST RATES

Feb. 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	14⅛-14⅜	10-10¼	8¾-9¼	7¼-7½	par-⅛	3⅞-4	6⅛-6⅜	6-9	—	5¼-2 1/16
7 day's notice	13¾-14	10-10¼	8¾ 9¼	7-7¼	1/16-3/16	3⅞-4	6⅝-6⅞	10-11	10⅛-10¼	1½-2⅜
Month	13 1/16-13 3/16	9⅝ 9⅞	10 1/16-10 5/16	7-7¼	1/16-3/16	3⅞-4	6⅞-7⅛	11¾-12¾	9¾-9⅞	2 1/16-2 5/16
Three months	12 9/16-12 11/16	10½ 10⅝	10⅝ 11	7-7¼	⅛-¼	3 15/16-4 1/16	7¼-8	12¼-13¼	10 5/16-10 7/16	5 1/16-5 5/16
Six months	11⅞-12	10 9/16 11 1/16	10 13/16-11 3/16	7-7¼	⅜-½	4 1/16 4 3/16	8⅜-8⅞	12¾-13¾	11⅛-11¼	4-4 1/16
One year	11 11/16-11 13/16	10 9/16-11⅛	10 13/16-11 3/16	7-7¼	7/16-9/16	4⅛-4⅜	8 9/16-9 1/16	13-14	10 15/16-11 1/16	5⅞-4 1/16

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.35-10.45 per cent; three months 10.60-10.70 per cent; six months 11.00-11.10 per cent; one year 10.95-11.05 per cent.

Long-term Eurodollar deposits: two years 10½-10⅝ per cent; three years 10⅜-10⅝ per cent; four years 10 5/16-10 9/16 per cent; five years 10 5/16-10 9/16 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Amsterdam & Paris rates firmer

Dutch interbank money rates continued to rise yesterday, reflecting unexpectedly large shortages in the money market. Short-term interest rates tended to decline during January, from 10¾-11 per cent for call money and one-mnth at the beginning of the year, to around 8 per cent at the end of the month. Call money tended to vary sharply during January, with the official rate cut to 3½ per cent from 6¼ per cent on January 23 as a reflection of fullcredit conditions following heavy Government disbursements.

On Wednesday last week call money was 7¾-8per cent; one-month 7½-7¾ per cent; three-monthmonth 7½-7¾ per cent; and six-month 7-7½ per cent, but by yesterday all rates from call to six-month had firmed to 7¾-8 per cent.

Overdrafts and advances against securities were higher than expected during the last week, as aresult ofend of the month tax payments, but rates are expected toease with the start of a new month.

PARIS—The Bank of France raised by ⅛per cent the level it discounts Treasury bills for one-month, three-month, and six-month periods. This was seen as a move to reduce the amount of bills discounted at favourable rates with the central bank, compared with those available on the open market. The one-month rate rose to 6½ per cent from 6⅜ per cent; three-month to 7¼ per cent from 7⅛ per cent; and six-month to 7½ per cent from 7⅜ per cent. Day-to-day money rose to 6½ per cent from 6⅜ per cent, while one-month and three-month funds were unchanged at 6⅝-8 per cent respectively. Six-month money eased to 7⅛-7¼ per cent from 7 3-16ths-7 5-16ths per cent, but 12-month was unchanged at 7½-7¾ per cent.

FRANKFURT—Interbank rates were generllay firmer, with call money rising to4.20-4.30 per cent from 4.00-4.10 per cent. One-month was unchanged at 3.95-4.05 per cent, but three-month firmed to 4.20-4.30 per cent from 4.10-4.20 per cent. Six-month rose to 4.30-4.40 per cent from 4.25-4.35 per cent, and 12-month to 4.95-5.05 per centfro m4.85-5.00 per cent.

NEW YORK—Federal funds were steady at 10-10½ per cent in quiet early trading, ahead of the U.S. trade figures. Treasury bill rates were mixed, with 13-week bills firming slightly to 9.47 per cent from 9.46 per cent, while 26-week bills eased to 9.50 per cent from 9.52 per cent; and one-year to 9.50 per cent from 9.53 per cent.

GOLD

Firmer trend

Gold showed a firmer tendency in the London bullion market yesterday and closed $4 up at $251¾-252. The metal opened at $250¾-351¼ and was fixed during the morning at $250.90 before improving slightly to the afternoon fixing of $251.30. Trading was generally light with little to influence trading, although demand for the metal was maintained in the U.S.

In Paris the 12½-kilo bar was fixed at Fr34.300 per kilo ($253.41 per ounce) in the morning compared with Fr34,245 ($250.54) on Tuesday morning.

In Frankfurt the 12½-kilo bar was fixed at DM 14,965 per kilo ($251.49 per ounce) against DM 14,740 ($247.80) previously.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.0625
Treasury Bills (13-week)	9.47
Treasury Bills (26-week)	9.50

GERMANY

Discount Rate	3
Overnight Rate	4.25
One month	4.0
Three months	4.25
Six months	[illegible]

FRANCE

Discount Rate	9.5
Overnight Rate	[illegible]
One month	6.6875
Three months	6.9375
Six months	7.1875

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.5
Bills Discount Rate	4.5625

UK MONEY MARKET

Nervous trading

Bank of England Minimum Lending Rate 14 per cent (since February 8, 1979)

Short-term interest rates fluctuated sharply in nervous trading in the London money market yesterday. Rates continued to fall in early trading, in response to the recommendation by miners' leaders of the National Coal Board pay offer, but then moved up and down nervously ahead of today's announcement by the Bank of England on Minimum Lending Rate. Opinion in the market seemed to point towards a likely cut of 1 per cent to 13 per cent.

Day-to-day credit remained in short supply and the authorities gave an exceptionally large amount of assistance, by buying a small number of Treasury bills and a small amount of local authority bills from the discount houses, and by lending an exceptionally large amount, overnight at MLR of 14 per cent, to three or four houses.

Banks brought forward small surplus balances, and there was a small fall in the note circulation. These were outweighed by a small net take-up of Treasury bills, a small excess of revenue payments to the Exchequer over Government disbursements, fairly large month-end oil settlements, repayment of the moderate amount lent to the houses on Tuesday, and settlement of fairly large gilt-edged sales.

Discount houses paid 13¾ per cent for secured call loans in the early part, with closing balances taken at 12-13 per cent.

In the interbank market overnight loans opened at 14¼-14½ per cent, and touched 15 per cent, before trading at 14-14¼ per cent for most of the day. Rates fell sharply at the close to 3.5 per cent.

LONDON MONEY RATES

Feb. 28 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13-15	—	—	—	—	12-14	—	—	—
2 days notice	—	—	13⅝-14	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13¾-14	13⅞-14	—	14½	14	13-13¼	—	—	—
One month	13 1/16-13	13⅛ 13 3/16	13¼-13½	13⅛-13⅜	13¾	13¾	12¼-12¾	12-12 1/16	13 1/16-13⅛	13½
Two months	12 13/16-12 11/16	12 15/16-13	—	12¾-13	13½	—	12⅝	11 9/16-12	12 7/16-12 9/16	[illegible]
Three months	12 9/16 12 7/16	12⅝-12⅝	12½-12⅝	12⅛-12⅜	12⅞	13	12⅛-12¼	11 9/16-11⅝	11⅞-12	12½
Six months	11 15/16-11 13/16	11¾-12	12-12⅝	11½-11¾	12	—	—	—	11⅛-11 5/12	12¼
Nine months	11 13/16-11½	11 11/16-12	—	11½-11⅜	12	—	—	—	—	—
One year	11 13/16-11⅛	11⅝-12	11¾-12	11½-11⅜	[illegible]	—	—	—	—	—
Two years	—	—	12-12¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 12¼-12½ per cent; four years 12⅝-12⅞ per cent; five years 12½-12⅞ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11 5/16-11⅛ per cent: four-month trade bills 12⅛ per cent.

Approximate selling rates for one-month Treasury bills 11⅞ per cent; twomonth 11⅝ per cent; three months 11 5/16 per cent. Approximate selling rate for one-month bank bills 12⅞ per cent; two-month 12 5/16-12 7/16 per cent; and three-month 11 29/32-11 31/32 per cent; one-month trade bills 13⅛ per cent; two-month 12⅞ per cent; and three-month 12⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from March 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11 per cent. Clearing Bank Rates for lending 13½ per cent. Treasury Bills: Average tender rates of discount 12.2281 per cent.

New issue
March 1, 1979

All these bonds having been sold, this announcement appears as a matter of record only.

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Banco di Roma
Bank of America International Limited
Bank Julius Baer International Limited
Bank für Gemeinwirtschaft Aktiengesellschaft
Bank Gutzwiller, Kurz, Bungener (Overseas) Limited
Bank Mees & Hope NV
Banque Arabe et Internationale d'Investissement (B.A.I.I.)
Banque Française du Commerce Extérieur
Banque Française de Depots et de Titres
Banque Générale du Luxembourg Société Anonyme
Banque de l'Indochine et de Suez
Banque Internationale à Luxembourg S.A.
Banque Nationale de Paris
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Daiwa Europe N.V.
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Delbrück & Co.
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Groupement des Banquiers Privés Genevois
Hambros Bank Limited
Hessische Landesbank – Girozentrale –
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E. F. Hutton International N.V.
The Industrial Bank of Kuwait K.S.C.
Kansallis-Osake-Pankki
Kidder, Peabody International Limited
Kleinwort, Benson Limited
Kredietbank N.V.
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Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.)
Kuwait International Investment Co. s.a.k.
Kuwait Investment Company (S.A.K.)
Bankhaus Hermann Lampe Kommanditgesellschaft
Landesbank Rheinland-Pfalz – Girozentrale –
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Lazard Frères et Cie
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Morgan Stanley International Limited
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BY DIANA SMITH IN RIO DE JANEIRO

Brazil's fastest developing state

TWO HUNDRED years ago, Minas Gerais was the Klondike or Northern California of Brazil: heart of a gold rush that attracted prospectors and dealers from far and wide.

The gold of Minas Gerais swelled the coffers of the profligate Portuguese crown, propping up a monarchy whose ministers and colonial administrators drained the resources of a Brazil almost 100 times larger than Portugal's tiny area of 55,700 square miles.

In 1822, Brazil declared its independence from Portugal but it remained in an economic state of suspension for generations.

Only after World War II did Brazil begin seriously to mine its own subsoil on a large scale—Minas Gerais, rich not only in gold but in iron ore and other minerals, became the focus of the first, giant state monopoly, Companhia Vale Do Rio Doce, formed for the purpose of mining and marketing iron ore.

However, while Sao Paulo, then Rio de Janeiro State, seized the lion's share of industrial growth, Minas Gerais, situated to the north of Rio, despite its resources, lagged behind in the area of manufacturing.

No longer. A decade or so ago, Minas woke up to its potential. Today, it can be safely described as Brazil's fastest and most lucrative developing state.

It covers an area into which Benelux and Portugal would fit, with room to spare. Its capital, Belo Horizonte, founded 80 years ago, is a hilly, bustling city of 2m inhabitants (growing at over 4 per cent a year), where slopes and flat areas are covered by skyscrapers and solidly-built homes, dotted with parks and lively recreation areas.

The state's GDP grew by 10 per cent in 1978, and, in real terms, by 52 per cent between 1975 and 1978. It is now responsible for almost 10 per cent of the national GDP of $170bn. This real growth rate is the fastest of any state in Brazil.

Third highest

In 1978, tax revenue was $813m, 14.6 per cent more, in real terms than in 1977, giving Minas Gerais the third highest tax revenue in Brazil, after Sao Paulo and Rio de Janeiro, and a real growth in tax revenue of 57.3 per cent in four years.

Meanwhile, in 1978, Minas Gerais consumed almost 9m Mwh in electric energy, 10.8 per cent more than in 1977, drawing on 30 hydroelectric and thermal power plants, including the huge Tres Marias dam on the Sao Francisco river.

Unfortunately, weeks of heavy rain in Minas Gerais in January and February have swollen the Sao Francisco and other rivers, turning the state into a disaster area where hundreds of lives have been lost and hundreds of thousands of people have been forced to flee the flood waters.

Damage to agriculture and livestock breeding—activities that account for just under 12 per cent of the state's GDP—is expected to run into several million dollars. In relative economic terms, however, damage to farms will have less impact on the state's 1979 production than it would have done a few years ago. The contribution of agriculture and livestock to the state GDP has dropped by 8 per cent in nine years while that of manufacturing industry has risen by over 13 per cent and that of mining by 4 per cent.

Minas Gerais state authorities—particularly under the 1975-78 administration of Sr. Aureliano Chaves, former state governor and future vice-president of Brazil—waged an all-out campaign to attract new investment, both Brazilian and foreign.

Offering, through various state development bodies, help in locating and acquiring land, construction facilities, tax incentives and, in several cases, state shareholding in important ventures, the state consolidated established activities of foreign companies like Krupp, Mannesmann and Belgo-Minere. These have been joined by new foreign arrivals which are not only altering the landscape with their ultra-modern factories and foundries, but in some cases even the eating habits of the locals.

In 1975, Fiat succumbed to the wooing of Minas Gerais: by the end of 1976 its car factory and foundry in the new Betim industrial district involving investments of $650m were on stream. After a bad first year of operations in 1977, due to the slump in Brazil's car sales, the Fiat 147 captured 11 per cent of Brazil's 1m vehicle market in 1978.

Minas Gerais state has a 42 per cent share in the Fiat operation. The Italians, in order to ensure a high new job rate in an area teeming with young, trainable labour, reduced the degree of automation on assembly lines, thus creating 10,000 direct, new jobs and, Fiat estimates, 3.1 indirect new jobs for each direct one, in car-part factories or services.

Italy's Auso-Eltel, has set up a plant in a new industrial district on the outskirts of Belo Horizonte, manufacturing electronic equipment and components for Brazilian and foreign markets. With its Italian competitor Italtel, based in Rio de Janeiro, and Brazilian telecommunications equipment manufacturers, Auso-Eltel of Brazil is bidding for an important order for one of Nigeria's five new telecommunications areas.

The Fiat foundry, now placing the bulk of its output with the Fiat car plant, also supplies other car manufacturers.

Next year, Aerospatiale's Ecureuil and Lama helicopters, will begin to be assembled in Minas Gerais by the Aerospatiale-Minas Gerais State-Kerofoto Cruzeiro Do Sul joint venture, Helibras.

Initially, the $6.2m venture will assemble 200 French-designed helicopters, for Brazilian and Latin American markets. Currently, Brazil owns about 180 helicopters: its potential is estimated at 500 to 1,000.

The advent of Helibras has encouraged Rolls-Royce to associate with Turbomeca of France, in order to assemble in Brazil the Ariel turbines, used in the Ecureuil helicopters.

Steel project

While Fiat remains, at present, the largest single foreign investor in Minas Gerais, the $3.5bn Acominas steel project under construction, has generated £230m in equipment orders for British manufacturers led by Davy Ashmore, and including the Babcock-Wilcox subsidiary Woodall Duckham. Acominas will be the largest steel works in Latin America, with an initial 2m tonne annual output of sections and structures for civil construction, and will attract a new industrial complex to the Ouro Banco area.

Being a relative latecomer to intensive industrial development, Minas Gerais has benefited by watching the mistakes made by Sao Paulo and Rio de Janeiro, particularly the proliferation in these two states of high pollution industries. New Minas factories are equipped with the latest, sophisticated pollution control equipment and are surrounded by green space.

In 1978, the Minas Gerais Development Bank—a key factor of growth—authorised financial operations totalling $618m. The bank's contribution to a total investment of $3.3bn in economic activities in Minas Gerais which generated 68,000 new jobs.

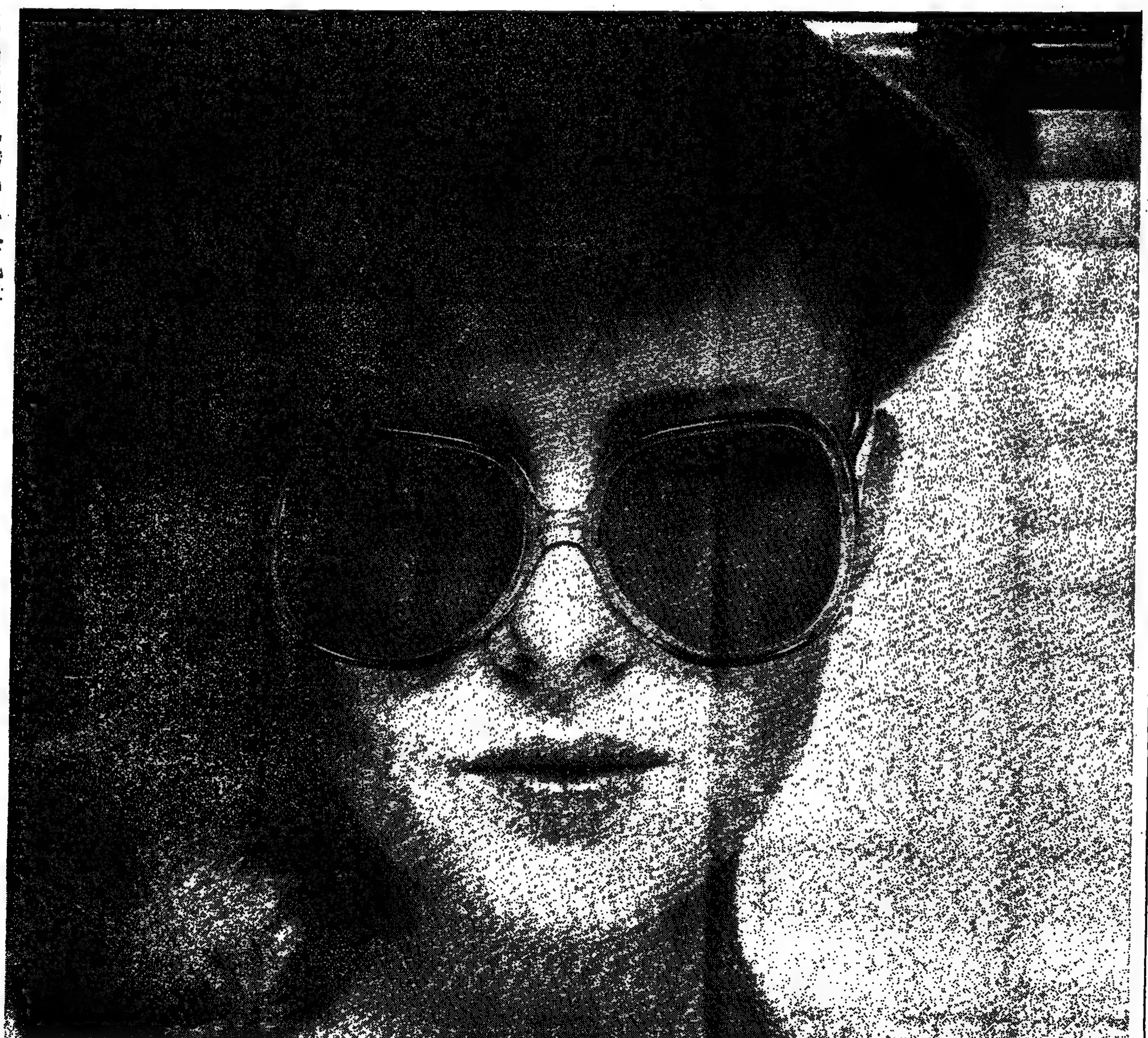
There is still visible poverty in Minas, particularly slums that linger on the outskirts of Belo Horizonte. To the visitor, however, their squalor and aura of hopelessness is less marked than in the teeming Favelas slums of Rio de Janeiro or the bleak villages in north-eastern states, where buzzards hover over ramshackle huts housing undernourished men, women and children.

The *Mineiro*—a term which means both resident of Minas and miner, often compares himself to a Scotsman, industrious, dour and clannish, with a sharp idea of the value of money. The state's hills and mountains are no match for the Scottish Highlands in impact on the eye, but there is no doubt they generate the rugged, hill dweller's temperament and the stamina needed to drive on winding mountain roads.

Self-assertive *Mineires* led the anti-Portuguese rebellions in the late 18th and early 19th centuries, clamouring for equality, abolition of slavery, and individual representation long before the rest of Brazil awakened.

The state likes to think of itself as a pioneer. Indeed, its zest for co-ordinated industrial, agricultural and social development and ability to get plans off the drawing board — not always a Brazilian attribute — give it a strongly-individual ambience.

PILKINGTON



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THIRD ANNUAL REDEMPTION INSTALMENT

(Redemption Group Nos. 1 and 3 having fallen due before)

Notes belonging to Redemption Group No.2 will be redeemed on and after

APRIL 1, 1979

in accordance with drawing effected on February 14, 1979 pursuant to the Terms and Conditions.

Paying Agents:
Amsterdam-Rotterdam Bank N.V.
Algemene Bank Nederland N.V.
Bank Mees & Hope NV
Pierson, Heldring & Pierson N.V.
in Amsterdam
Banque Générale du Luxembourg S.A.
in Luxembourg.

Notes belonging to Redemption Group No.4 will be redeemed on and after April 1, 1980.

March 1, 1979.

CHALLENGE CORPORATION LIMITED

INTERIM REPORT TO SHAREHOLDERS

The unaudited results of the Group for the six months ended 31st December, 1978, and the comparable figures for the same period of the previous year are as follows:—

		6 months ended 31.12.78 NZ$'000		6 months ended 31.12.77 NZ$'000
Group Trading Income		8,887		3,604
Profit from Sale of Assets		1,004		243
Net Group Income before Taxation		9,891		3,847
Estimated Taxation on Group Income	3,736		1,522	
Less: Benefit of Trading Stock Valuation Adjustment	—	3,736	(741)	781
Net Group Income after Taxation		6,155		3,066
Income Attributable to Minority Interests		31		7
		6,124		3,059
Group Share of Associated Companies Income after Taxation		338		361
Net Group Income including Share of Associated Companies Income		NZ$6,462		NZ$3,420

Group turnover during the period increased by 20 per cent to NZ$443.0 million and net group income after tax increased by 89 per cent. This improvement is well spread over all sectors of the business. Liquidity continues to improve and is now in a healthy position in marked contrast to the situation prevailing last year.

There has been a marked and welcome improvement of industrial relations within the freezing industry. As a result the lamb kill has been significantly increased and farmers and the company have received income earlier than was the case last year.

The wool market has shown a gradual upward trend which can be attributed to a shortage of stocks and to stockpiling.

The manufacturing and trading subsidiaries have had worthwhile improvements in net earnings, but the demand for a considerable section of products sold is seasonal and it is unlikely that the same level of improvement will be sustained during the remainder of the year. Although the results of Wrightcars are well ahead of those for the corresponding period last year, the indications are that the second half will be less buoyant. The contribution of the finance subsidiaries continues to grow and it is anticipated that this will continue in the immediate future.

High inflation remains a feature of the New Zealand economy and consequently these results cannot be viewed as anything more than satisfactory. Although significantly better results are forecast for the full year, the rate of increase in the first half will not be sustained.

Interim Dividend

The ordinary interim dividend will be payable on the increased capital resulting from the recent one for ten bonus issue. The board has decided on an increase of 1 per cent (1 cent per share) in interim dividend and this increase is expected to be maintained to give a total dividend of 13½ per cent for the full year.

An ordinary interim dividend of 6 per cent (6 cents per share) is payable on 26th March 1979 to shareholders registered on 9th March 1979. This dividend will be paid from realised capital profits.

To the Holders of

Williams & Glyn's Bank Limited

Floating Rate Capital Notes 1984

In accordance with the provisions of the above Notes, Irving Trust Company, as Principal Paying Agent has been notified that the Rate of Interest applicable to the Interest Period February 26, 1979 through August 28, 1979 is eleven and five sixteenths percent (11-5/16%) per annum. The Dollar Amount payable on Coupon No. 5 for each $1,000 face amount Bond is Fifty-Seven Dollars and Fifty One Cents ($57.51) and the Interest Payment Date is August 28, 1979.

IRVING TRUST COMPANY
Principal Paying Agent

February 28, 1979

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INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

TXIA details terms for National Airlines takeover

BY JOHN WYLES IN NEW YORK

TXIA International Airlines (TXIA) yesterday announced details of its proposed terms for the acquisition of the approximately 77 per cent of National Airlines common stock that it does not already own.

The small regional airline announced last week that it, too, wanted to bid for full control of National, initially on the same $50 a share basis offered by Eastern Airlines. National already has a merger agreement with Pan American World Airways, based on a price of $41 per share.

While both Eastern and Pan Am are offering cash TXIA disclosed yesterday that for each share of National it would offer $8 in cash, one of its own common shares and a $30 principal amount of an 11½ per cent sinking fund debenture due in 1989.

National wants all of the competing bidders to wait for a Civil Aeronautics Board decision on whether any or all of them will be permitted to make the acquisition. Both Eastern and TXIA are urging a bidding contest in advance of a CAB ruling, and TXIA yesterday requested its inclusion in a bidding procedure proposed by National and Pan Am.

Eastern has objected to this procedure because it limits the number of offers which can be made and allows Pan Am the right of making a final bid.

For the purpose of the bidding procedure, TXIA said that it should be permitted to increase the value of the package offered to National shareholders by increasing the cash portion of its bid.

TXIA also proposed that the final bid for National be sealed and submitted simultaneously by each bidding party, with the highest bid prevailing, or in the event of a tie, with Pan Am prevailing.

Polaroid figures disappoint

BY OUR NEW YORK STAFF

NEARLY $360m has been wiped off the stock market value of Polaroid Corporation in the past week in an expression of extreme investor disappointment with the company's fourth quarter earnings results.

Profit margins clearly declined in the fourth quarter largely because of losses on the Polavision instant movie camera system.

Two days before the announcement, Eastman Kodak, Polaroid's fierce rival in the instant camera field published a glittering 47 per cent increase in fourth quarter earnings based on pre-tax profit margins up from 21.7 per cent to 26.7 per cent.

Since last Thursday Polaroid's price has tumbled from $50¼ to $39¼.

Despite a 29 per cent gain in sales, fourth quarter earnings rose 14 per cent to 1.32 per share, which was up to 20 cents per share lower than projected by many Wall Street analysts. Polaroid said that manufacturing costs and marketing expenses on Polavision were "substantially in excess" of revenue and warned that Polavision would "continue to make significant demands on cash and earnings in 1979."

Polaroid has barely suffered from Kodak's move into the instant camera market in 1976 largely because it seems to have helped triple demand. Kodak holds about a third of the market which in 1978 was more than 14 million cameras.

Many analysts have now scaled down their forecasts for Polaroid earnings in 1979 with the most cautious projecting a profits rise of up to 19 per cent to $4.30 per share.

Arab buys major stake in Whittaker

BY OUR FINANCIAL STAFF

PROXY material for the annual meeting of the Los Angeles-based Whittaker Corporation shows that a Saudi Arabian businessman has made an investment in the company which could potentially make him the largest single shareholder.

The businessman, Mr. Suliman Olayan, has acquired 100,000 shares of the company's common stock, 1980 warrants to purchase an additional 975,000 shares at $15 a share, and a $15m principal amount note convertible into common stock at the same price. This could give Mr. Olayan 13.6 per cent of the outstanding common stock of the company.

Mr. Olayan bought the stake in Whittaker from a Liechtenstein company, Competrol Establishment, which is owned equally by him and by Whittaker's representative in Saudi Arabia, Khalid bin Abdullah bin Abdulrahman al Saud. The transaction was completed on October 30 last year, and Mr. Olayan has said that he regards it as strictly a financial investment.

The company yesterday announced more than doubled net income for the first quarter of its current financial year. On sales of $227.9m against $184m, Whittaker returned net income of $9.05m or 64 cents a share compared with $4.44m or 31 cents a share.

Security Pacific to seek listings

Financial Times Reporter

SECURITY PACIFIC Corporation intends to seek listings on the New York Stock Exchange and London stock market during the course of this year, according to Mr. Richard J. Flamson, the Bank's president and chief executive officer.

Security Pacific Corporation is the holding company for Security Pacific National Bank, the 10th largest in the U.S. in terms of assets.

However, the bank has no immediate plans to raise further capital through equity or debt issues, Mr. Flamson said.

He expects his Bank's earnings to increase this year, even though Security Pacific earnings rose by an unusually large margin in 1978, to $132.9m from $100.5m in 1977.

Impending banking legislation, among other factors, made it impossible to give any specific earnings forecast, Mr. Flamson said. However, domestic business would continue to expand and the Bank's foreign business with the Pacific basin, including Japan and other Asian countries, looked particularly promising.

Asked about the Bank's exposure in Iran, Mr. Flamson said "We have some credits outstanding to the Iranian Government and to banks there, but we don't believe they would be material regardless of what situation arises."

Philip Morris splits stock

NEW YORK — Philip Morris has declared a two-for-one stock split and increased the quarterly dividend on pre-split shares to 63½ cents from 51¼ cents.

The 1979 capital spending will include construction of a previously announced cigarette manufacturing plant in Cabarrus County, NC, and the addition of advanced equipment to current U.S. cigarette facilities.

The company will expand and modernise cigarette production facilities in several markets, including plants in West Berlin and Bergen op Zoom, the Netherlands.

Additionally, work will continue toward completion of new breweries in Irwindale, California, and Albany, GA.

More than 90 per cent of the $3bn slated for the five years ending 1983 will be used to increase capacity and productivity, with over one half of the planned capital investment going to the Miller Brewing subsidiary.

The group is also calling for redemption on April 11 all of its 24,000 outstanding preferred shares at a cost of about $2.6m.

Reuter

Consolidated Bathurst looks to China

TORONTO — Consolidated-Bathurst, the forest products group, expects 1979 net earnings to exceed last year's C$59.1m, states Mr. William Turner, president and chief executive. Mr. Turner, who recently returned from a 24-nation tour, believes China has the potential to be the biggest newsprint market in the world and "a great source" for Consolidated-Bathurst.

He said there are not too many trees in China, only in the north and far south, and the country's forest products plants are outmoded. In South America, Chile appears to hold the most potential in the industry on a world scale, with Venezuela not far behind.

In Europe, Finland and Sweden are highly efficient but also have some of the highest prices in the world.

In the U.S. and Canada, most industry observers believe the southern U.S. is the best place to build mills at the present time. Trees grow quicker in the south and transportation charges are lower, but disadvantages include a possibility of more organised union activity, Mr. Turner declared.

Reuter

Delay for Borg Warner merger with Firestone

BY OUR NEW YORK STAFF

COMPLETION OF the proposed merger between Borg Warner Corporation and Firestone Tire and Rubber Company has been postponed because of slower than expected progress on a number of related studies.

Proxy materials were due to be sent out next month, and shareholder votes at both companies were expected on April 24. Their joint announcement last night did not contain any revised timetable, but sources close to the discussions indicated yesterday that shareholders meetings on the merger were not now likely to be held before June.

Since the agreement in principle was reached between the two companies at the end of last November, their investment banks, Salomon Brothers for Firestone and Lehman Brothers Kuhn Loeb for Borg Warner, have been investigating the prospective partners as a preliminary to certifying the merger proposals as fair to both sets of shareholders.

All the indications are that the intent to merge is alive and well, but according to the joint statement, "Progress has been slower than expected on a series of studies and related evaluations being prepared to provide the basis for a definitive agreement."

According to the proposed terms announced last year, the combination would be achieved on the basis of an exchange of securities which valued Firestone at about $870m. The terms ran into some criticism from Firestone shareholders at the annual meeting last month, and it appears increasingly likely that the final terms are likely to put a higher price on the tyre company.

Firestone's first quarter earnings for the three months from October 31 proved to be stronger than many on Wall Street had expected. Specifically, the "500" debacle, which appeared as a major factor propelling Firestone into a merger, has not seemed as damaging as it might have been. Despite the fact that the company is recalling more than 10m of this now defunct steel belted radial design quarterly net profits leaped from $7.4m to $34.8m.

Allegheny Ludlum forecast

NEW YORK — Allegheny Ludlum Industries, the special steel group, expects profits from continuing operations in the first quarter and first half of 1979 to top year earlier levels, according to Mr. Robert J. Buckley, chairman and president.

The company reported income from continuing operations of $11.22m or 91 cents a share in the first quarter of 1978 and $17.44m or $1.11 a share for the first six months.

Mr. Richard P. Simmons, president of Allegheny Ludlum's steel and metals group, reckons higher scrap prices evident since the company's announcement of a March 1 price increase on speciality steel suggest that "in the very near future" the company would be making an announcement to ensure itself of adequate returns on its steel sales.

Reuter

Brascan has no plans to liquidate

TORONTO — Brascan said it has no plans to liquidate the company, nor to make a special distribution to shareholders at this time.

In a letter to shareholders detailing the previously announced sale of its Light-Servicos De Electricidade, Brascan said it studied various alternatives for the future direction of the company, including liquidation.

Management had also considered distribution of substantial sums of cash to shareholders, coupled with continuation and some appropriate expansion of existing businesses.

A third alternative was continuation of the established policy of investing in consumer and industrial goods and natural resources, it said.

Brascan felt that a better result for shareholders can be achieved by keeping the company as a going concern rather than by liquidating it.

It said any special distribution would have a multiplied adverse effect on the company's ability to make appropriate acquisitions. Reuter

EUROBONDS

FFI Eurosterling issue raised to £15m

BY JOHN EVANS

THE EUROSTERLING bond for Finance for Industry has been heavily oversubscribed, and increased in size to £15m from £10m, according to lead manager S. G. Warburg.

This successful reopening of the Eurosterling market, after a pause of nearly a year, makes it highly likely that other borrowers will tap the market before long, despite the high interest rate level implied by such offerings, bond analysts said.

Other terms on the 12-year FFI issues, bearing 13 per cent at par, remain unchanged. The selling group period for the bonds now closes today, instead of next Tuesday as originally planned.

Meanwhile, the second Eurobond denominated in Special Drawing Rights in recent months is being planned for the Nordic Investment Bank. The SDR 20m issue (equivalent to about $26m) is by way of a five-year bullet, bearing 9 per cent at par.

It will be underwritten by a management group led by Warburg.

The SDR concept in the Eurobond market was classically designed as a way of protecting against international currency fluctuations. In fact, foreign exchange markets remain relatively calm at the moment.

However, the Nordic Investment Bank, owned by the Scandinavian nations, has its capital denominated in SDRs, so a debt offering in the IMF's accounting unit makes good sense for the borrower, according to analysts. Funds will be used for onlending for various projects in the Nordic area.

The Deutschemark international sector displayed stability yesterday. Dealers generally expect a cutback in the volume of DM issues in March, along with a move up to the 6¾ to 7 per cent range for coupon levels.

The forthcoming meeting of the capital market sub-committee may well decide to cut March volume substantially, after originally targeting a maximum DM 950m calendar in February. Some dealers estimate that March volume may be restrained to the DM 500-600m area.

Meanwhile, Autopistas Concesionaria Espanola is making a DM 41.5m six-year private placement with a 7¼ per cent coupon at par, Westdeutsche Landesbank said.

In Eurodollar bonds, Salomon Brothers International confirmed Banco de la Nacion of Argentina plans to offer $50m of floating rate notes, due 1986. The issue, priced at par, will carry a spread of ¼ point over interbank rates, with a minimum coupon of 7 per cent.

The $50m Newfoundland Province 15-year issue, bearing 10 per cent, has been priced at 99½. The bonds traded steadily in the secondary market yesterday at 97¾-98.

In Swiss francs, the SwFr 200m Mitsubishi Heavy Industries private placement, due 1986, carries final terms comprising a coupon of 3¾ per cent and par pricing. The SwFr 30m convertible placement for Hisamitsu, due 1985, carries a coupon of 2¾ per cent and par pricing. Swiss Bank Corporation is manager for both issues.

The City of Oslo is negotiating terms of a bond of up to SwFr 75m, due between March 8 and 14, Handelsbank said as issuing consortium leader.

● The EEC Commission is holding preliminary discussions on raising 500m Units of Account on the European capital markets, according to informed EEC sources in Brussels, quoted by Reuter.

But the political decision to float the loan, part of the first tranche of the EEC's planned 1bn U/A facility to stimulate industrial investment, will probably not be taken until next week.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on February 28

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aga Akt. 9¼ 88	25	95	95½	+0⅛	0	10.20
CECA 8½ 87	50	93¼	93¾	0	−0⅛	9.92
CECA 9¾ 84-99	50	96¼	96¾	+0⅛	−0⅛	9.82
CNT 9 93	75	94	94½	−0⅛	−0⅛	9.76
Canada 9 83	400	97¾	98⅛	0	+0⅛	9.77
Canada 9¼ 98	350	95½	95¾	0	−0⅛	9.94
Canadair 8½ 83	70	94⅛	94⅝	0	0	10.15
Dominion Bridge 9 88	25	93¾	94½	0	−0⅛	10.19
EIB 9¾ 98	125	93¼	93¾	−0⅛	−0½	10.14
Export Dv. Cpn. 9.85 84	150	99⅞	100⅜	0	−0⅛	10.05
Eksportfinans 9 86	50	95	95½	0	−0⅛	9.90
Finland 8¾ 83	100	95⅝	96⅛	0	−0⅛	10.19
Finland 9 88	100	94⅝	95⅛	0	−0⅛	10.10
Finland 9½ 86	100	96¾	97¼	−0⅛	−0⅛	10.11
GTE Fin. 9½ 84	50	97⅜	97⅞	+0⅛	−0⅛	10.13
Gould Int. Fin. 9¾ 85	50	98⅜	98⅞	−0⅛	+1½	10.01
Hospital O/S 9 83	25	96⅜	96⅞	0	−0⅛	9.96
Hudson Bay Co. 10 94	50	99½	100	+0⅛	0	10.03
Itel Finance 9¾ 90	30	93½	94	0	0	10.70
J. C. Penney 8½ 83	100	95⅜	95⅞	0	−0⅛	9.81
Manitoba 9½ 89	75	96⅛	96⅝	+0⅛	−0⅛	10.07
NZ Dev. Fin. 9⅛ 83	20	93¼	93¾	0	−0⅛	10.05
NZ Dev. Fin. 8⅞ 85	30	92¾	93¼	−0⅛	−0⅛	9.91
Nat. West. 9 86	75	96¼	96¾	0	−0⅛	9.67
New Brunswick 9¾ 94	75	97	97½	0	+0½	10.11
Newfoundland 9¾ 90	50	95½	96	0	−0⅛	9.88
Nord. Inv. Bk. 8¾ 88	25	94¾	94⅞	+0⅛	−0⅛	9.64
Norsk Hydro 9⅜ 84	50	94⅞	95⅜	+0⅛	−0¼	9.90
Norway 7⅞ 83	250	92⅝	83⅛	0	−0¼	10.03
Norway 8½ 85	150	96	96½	0	−0⅛	10.07
Norway 9⅛ 84	150	92⅝	93⅛	0	−0⅛	10.03
Ont. Hydro 8½ 85	125	93⅛	93⅝	0	−0⅛	9.98
Quebec Hydro 9½ 93	50	96¼	96¾	+0⅛	−0⅛	9.95
Redland XW 9½ 91	25	90½	91	0	0	10.91
Sears Roebuck 9 82	150	97⅜	97⅞	−0⅛	−0⅛	10.06
Sweden 9¼ 88	125	94½	94⅞	−0⅛	−0½	10.14
UK 8½ 85	200	95	95½	0	−0⅛	9.76
UK 8⅞ 93	150	93⅜	94⅜	−0⅛	−0⅛	9.93

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Exp. Int. 5¾ 87	70	96⅞	97⅛	−0⅛	−0⅛	6.08
Argentina 6½ 88	150	95	95½	0	−0⅛	7.19
Australia 6 88	250	99½	100	+0⅛	0	[illegible]
Austria 5½ 90	150	91⅜	92⅛	+0⅛	−0⅛	[illegible]
Bankamerica 5¾ 90	150	98	98½	0	0	5.96
Bq. Ext. Algerie 7¾ 85	100	95⅞	96⅜	+0⅛	+0½	7.98
Brazil 7¼ 87	150	100⅜	100⅞	+0⅛	+0⅛	7.16
CECA 6 88	150	96⅜	96⅞	−0⅛	0	6.49
Ch. Manhtn. O/S 6 93	100	98⅞	99⅜	+0⅛	+0⅛	6.09
Commerzbank WW 3½	100	100½	101½	−0½	+0⅞	3.37
Commerzbank XW 3½	100	81⅛	81⅞	0	0	6.16
Copenhagen City 6 90	75	90¾	91½	+0⅛	+0⅛	7.14
Council of Europe 6¾	130	96⅞	97⅜	+0⅛	+0⅛	6.69
Denmark 5¾ 85	100	95⅞	96⅜	+0⅛	0	6.56
Denmark 6½ 89	100	96⅛	96⅝	+0⅛	−0⅛	7.02
EIB 6 90	300	93⅞	94⅜	+0½	+0⅛	[illegible]
EIB 6½ 91	200	96⅜	96⅞	+0⅛	0	6.92
Eletrobras Brazil 7 87	100	97	97½	+0⅛	+0⅛	7.47
Eurofima 6½ 89	100	100	100½	+0½	+1⅛	6.46
Finland 6 83	150	99⅝	100⅛	+0⅛	−0⅛	5.99
Hitachi Ship. 5¾ 83	50	98⅝	99⅛	−0⅛	−0⅛	6.02
Indonesia 7 84	100	97⅞	98⅜	−0⅛	0	7.41
Kobe City of 5¾ 85	100	97¾	98	+0⅛	−0⅛	6.16
Mitsubishi Petro. 5¾ 85	100	98⅞	99⅛	0	−0⅞	5.93
New Zealand 6¼ 87	200	99½	100	+0⅛	−0⅛	6.29
Nippon Steel 5¾ 85	100	98⅛	98⅞	−0⅛	−0⅛	6.03
Nippon Tel. & T. 5½ 87	100	95⅞	96⅜	+0⅛	−0⅛	6 13
Nordic Inv. Bk. 6¼ 86	60	97½	98	−0⅛	0	6.67
Norges Komm. 6 90	100	95⅜	95⅞	0	−0⅛	6.63
Norges Komm. 6¼ 89	150	97⅜	97⅞	+0⅛	−0⅛	6.58
Occidental 6¾ 90	150	95⅞	96⅜	−0⅛	+0⅛	7.25
OKB 6½ 88	100	99¾	100¼	+0⅛	−0⅛	6.50
OKB 6 87	40	97¾	98¼	0	+0⅛	6.31
Petroleo Brazil 7 88	100	†97½	98	+0⅛	−0⅛	7.33
Ricoh 5⅜ 83	30	97¼	97¾	0	−0⅛	5.89
Statoil 6 88	150	95½	96	+0⅛	+0⅛	6 61
Statoil 6½ 89	150	†97¼	97¾	0	0	6.85
UDS Group 6¾ 83	65	95⅞	96⅜	0	−0⅛	6.83
Union Bank-Finn 6½ 88	50	94⅛	94⅝	−0⅛	−0⅛	7.32
Venezuela 6½ 90	150	92¼	92¾	0	−0⅛	7.48
World Bank 6⅛ 88	400	97¼	97¾	0	+0⅛	6.62

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¾ 88	40	103½	104⅛	+0⅛	−0⅞	4.73
Amer. Exp. Int. 3¾ 93	40	100⅛	100⅝	+0⅛	−0⅛	3.48
Arlberg Tunnel 4 93	40	99⅞	100⅜	+0⅛	−0⅛	4.00
Asian Dev. Bank 3½ 94	100	†92	92½	+0⅛	−0⅛	4.22
Austria 3½ 93	100	97⅞	98⅜	+0⅛	−1	3.67
Brazil 4¾	100	99¼	99¾	+0⅛	−0½	4.33
Chase Manhattan 4 93	70	103⅜	103⅞	−0⅛	−1⅛	3.66
Council of Europe 4¼	100	101⅞	102⅜	−0⅛	−1⅛	4.03
Bankamerica 3¾ 93	80	100⅜	100⅞	+0⅛	−0⅛	3.70
BNDE 5 88	75	101½	102	+0⅞	−0⅛	4.76
Denmark 4½ 90	100	103	103½	+0⅛	−1⅛	4.15
Denmark Mortgage Bk.	80	102⅛	102⅝	−0⅛	−2⅛	4.23
EIB 4⅛ 93	100	100¼	101¼	0	−1⅞	4.15
Eurofima 4¼ 93	80	101	101½	+0⅛	−1	4.13
F. L. Smidth 4½ 89	25	102¾	103¼	+0⅛	−0⅛	4.13
Finland 4½ 93	80	101	101½	+0⅛	−1⅛	4.38
GZB 4½ 93	100	103	103½	−0⅛	−0⅛	4.19
Heron 4¼ 88	35	100	100½	0	0	4.23
ICI Fin. NV 4¼ 93	100	104	104½	+0⅛	+0½	3.86
ICI Fin. NV 3½ 94	230	98⅞	99⅜	−0⅛	−0⅛	3.54
Malaysia 4¾ 90	80	99⅜	99⅞	+0⅛	+0⅛	4.80
Newag 4 93	70	101⅞	101⅞	−0½	−2⅛	3.88
New Zealand 3½ 94	120	97¼	97¾	−0⅛	−1⅛	3.71
Norges Komm. 4¼ 90	100	103¼	103½	0	−1¾	3.87
OKB 4 93	80	99⅜	99⅞	+0⅛	−3⅛	4.05
Oy Nokia 5 90	20	102½	103¼	+0⅛	−0⅛	4.66
Sandvik 4 90	85	100⅛	100⅝	−0⅛	−3¼	3.97
Sgas 4½ 88	15	102⅛	102⅝	+0⅛	−0⅛	4.17
Voest-Alpine 4½ 93	100	104	104½	0	0	4.10
Vienna 4 93	100	99⅛	99⅝	+0⅛	−1⅛	4.07
World Bank 4¼ 93	250	100⅞	101⅛	+0⅛	−0⅛	4.16

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 5⅝ 88	15	87⅛	88⅛	−2⅛	−4⅛	7.58
Australia 5.6 83	30	96⅛	96⅝	−0½	−1⅛	6.69
Australia 6⅛ 88	20	93½	94½	−1⅛	−2⅛	7.61
BFCE 6.4 90	30	91⅛	92⅛	0	−2¼	7.59
Eurofima 6.3 90	10	†93	94	0	−1	7.28
Finland 5.6 83	10	97½	98½	−0⅛	−0⅛	6.18
Finland 6.8 88	10	96¼	96¾	−0⅛	−0⅛	7.65

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ A$	12	†94¼	95¼	0	−0⅛	13.03
Auto Cote B. 7 93 EUA	16	91¼	93	0	+0⅛	7.90
Komm. Inst. 7½ 93 EUA	15	97½	98	0	+0⅛	7.70
Panama 8¼ 93 EUA	20	†94½	95½	0	+0⅛	8.88
SDR France 7 93 EUA	22	92¼	93¼	−0⅛	+0⅛	7.88
Algemene Bk. 6¾ 83 Fl	75	94	94½	0	−0⅛	7.86
Brazil 7½ 83 Fl	75	94⅛	95⅛	0	0	8.99
CFE Mexico 7¼ 83 Fl	75	97½	98¼	+0⅛	−0⅛	8.32
EIB 7¼ 85 Fl	75	94¼	95	0	−0⅛	8.33
Neder. Midd. 6½ 83 Fl	75	93⅞	94⅝	0	0	8.14
New Zealand 6¾ 84 Fl	75	94½	94⅞	+0⅛	−0⅛	8.04
Norway 6½ 83 Fl	100	93⅜	94⅛	+0⅛	−0⅛	8.28
Elf Aquitaine 9⅛ 88 FFr	150	99⅛	99⅝	0	−0⅛	9.84
EIB 9⅛ 88 FFr	200	98¼	98¾	−0⅛	−0⅛	9.81
Norway 9⅛ 84 FFr	200	99¾	100¼	−0⅛	0	9.31
PSA Peugeot 9¾ 87 FFr	175	99⅜	99⅞	0	−0⅛	9.81
Unilever 10 85 FFr	100	101½	102½	−0⅛	−0⅛	9.62
BAT 8 88 LuxFr	250	97⅛	98⅛	−0⅛	0	8.36
Bayer Lux. 8 86 LuxFr	[illegible]	97½	98½	−0⅛	0	8.40
EIB 7¾ 88 LuxFr	250	96⅜	97⅜	−0⅛	+0⅛	8.19
Finland I. F. 8 88 LuxFr	[illegible]	97½	98½	0	+0⅛	8.37
Norway 7¾ 83 LuxFr	250	97⅜	98⅜	+0⅛	+0½	8.32
Norges Km. 8 86 LuxFr	500	98¾	99¾	−0⅛	0	8.12
Renault 7¾ 88 LuxFr	500	96⅛	97⅛	−0⅛	−0⅛	8.23
Solvay Fin. 8 85 LuxFr	500	99¾	100¾	−0½	−0⅛	7.94
Swedish Bk. 8 88 LuxFr	500	98⅞	99⅞	−0⅛	+0⅛	8.08

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bk. M6.5 83	0⅛	98	98½	31/7	11.44	11.88
BFG Fin. Co. M5.5 89	0¼	98¼	98¾	12/7	12.4	12.59
Bco. El Salvador M8 83	1⅛	97⅞	98⅜	12/4	11.31	11.56
Bco. Nac. Argnt. M8 83	0¼	99¼	99¾	21/7	12¼	12.31
Bank of Tokyo M5½ 93	0⅛	97¼	97¾	18/4	10½	10.77
Banque Worms M5½ 85	0¼	98⅛	98⅝	15/6	12	12.20
Bq. E. d'Alg. M8.375 84	0⅛	96⅝	97⅛	9/8	11⅞	12.24
Bq. E. d'Alg. M7.5 85	0⅛	95⅛	95⅞	2/5	12¾	13.35
Bq. Indo et Suez M5½	0¼	98⅞	99⅜	25/7	12	12.11
Bq. I. Af. Occ. M6.5 83	0¼	97⅜	98⅛	12/7	12.4	12.67
CCCE M5.25 98	0¼	97⅜	97⅞	3/8	11⅜	11.66
Ch. Man. O/S M5¼ 93	0¼	97⅞	98⅛	27/7	11.73	11.98
Credit National M5¼ 88	0¼	98⅛	98⅝	11/7	12.31	12.52
Gotabanken M6 88	0¼	98⅜	98⅞	16/5	12.31	12.48
Ind. Bk. Japan M5¼ 85	0¼	99½	100	1/6	12.38	12.38
Liubljanska M7 75 85	1	96⅝	97⅛	18/7	12.84	13.34
LTCB Japan M5¾ 85	0¼	99⅛	99⅝	9/5	12.06	12.12
Midland Intl. M5½ 93	0¼	98⅞	99⅛	20/7	12⅛	12.39
Nat. West. M5½ 90	0¼	98¾	99¼	21/6	12½	12.63
Nipp. Crdt. Bk. M5.5 85	0¼	99⅞	100⅜	22/6	12.81	12.80
OKB M5¼ 88	0¼	100⅛	100⅝	18/4	10.56	10.51
Offshore Mining 86	0¼	98⅞	99⅜	19/7	12.19	12.30
Petro Mexicano 7¼ 84	0½	98½	99	24/7	12.06	12.22
Privredna Banka M8 86	0⅞	95½	96¼	22/6	13.44	13.96
Standard Chrt. M5.5 90	0¼	97	97½	10/8	11.50	11.82
Sundsvallsbnkn. M6 85	0¼	97	97½	4/4	10.06	10.35

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	628	97	97½	−1⅛	11.54
Baker Int. Fin. 5½ 93	1/79	34	103½	104½	−0¼	5.93
Boots 6¾ 93	2/79	2.16	94⅛	94⅞	+0⅛	−5.50
Coca-Cola Bottling 6¾	4/79	9	86½	87¼	−0⅞	25.10
Ito-Yokado 5¾ 93	6/78	1339	119½	120½	−1⅛	−1.87
Nova Industri 7 89	4/79	259	89⅜	90⅜	−0⅛	6.14
Texas Int. Air. 7½ 93	4/79	14.5	88	89½	−0½	11.90
Thorn Int. Fin. 7 88	11/78	3.67	103½	104¼	+4⅛	−1.70
Tyco Int. Fin. 8½ 88	9/78	21	98	98½	−0½	25.68
Tyco Int. Fin. 5 84	5/78	61.5	73½	75	−0½	176.75
Asahi Optical 3½ DM	12/78	588	95⅞	96⅞	+0⅛	1.06
Casio Co. 3½ 85 DM	11/78	841	94	55	−0½	5.52
Izumiya 3½ 86 DM	10/78	989	87⅞	88⅞	−0⅛	0.60
Jusco 3½ 86 DM	1/79	1154	89¼	90¼	−0½	17.03
Kansai Elec. 4 84 DM	4/79	1350	91¼	92¼	−0⅛	8.06
Konishiroku 3½ 85 DM	1/79	612	90⅛	91⅛	+0⅛	9.86
Marudai Food 3½ DM	2/79	1033	88	89	−0⅛	19.71
Murata M. 3½ 86 DM	11/78	854	98⅛	99⅛	−0⅛	−3.07
Nipp. Air. 3.5 88 DM	12/78	508	85⅛	86⅛	−0⅛	1.55
Nippon Shinpan 3¾ DM	8/78	738	98⅛	99⅛	−0⅛	−0.05
Nippon Ysn. 3½ 85 DM	1/79	251	93¾	94¾	−0⅛	3.93
Nissan Diesl. 3½ 86 DM	2/79	477	98¾	99¾	−0⅛	9.43
Olymp. Opt. 3¼ 85 DM	2/79	703	98½	99½	+0½	1.12
Ricoh 3½ 86 DM	10/78	617	92⅛	93⅛	+0⅛	12.97
Sanyo Electric 3½ DM	11/78	295	88⅛	89⅛	−0⅛	−3.42
Sharp Co 3½ 88 DM	2/79	487	92	93	−0½	0.77
Stanley Elec. 3½ DM	11/78	623	88	89	−0½	14.04
Tokyo Elec. 3½ 87 DM	4/79	476	90⅛	91⅛	−0½	0.33
Tokyu Ld. Co. 4 86 DM	4/79	493	90⅛	91⅛	−0¼	5.81
Trio-Knwd. 3½ 85 DM	11/78	711	85½	86½	+0⅛	24.87

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M = Minimum coupon. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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AMERICAN QUARTERLIES

BANK OF MONTREAL		
First quarter	1979 C$	1978 C$
Revenue	881.0m	[illegible]
Net profits	58.52m	40.42m
Net per share	1 22	0 94

FLEMING COMPANIES		
Fourth quarter	1978 $	1977 $
Revenue	561 1m	537.0m
Net profits	4.48m	4.26m
Net per share	0.71	0.68
Year		
Revenue	2.23bn	2 06bn
Net profits	14.58m	13.75m
Net per share	2.33	2.21

SYNTEX CORPORATION		
Second quarter	1978 $	1977 $
Revenue	115.7m	92 7m
Net profits	16.3m	12 6m
Net per share	0.97	[illegible]
Six months		
Revenue	227.3m	175.6m
Net profits	34.6m	27.2m
Net per share	2.06	1.42

WHITE CONSOLIDATED INDUSTRIES		
Year	1978	1977
Revenue	1.66bn	1.40bn
Net profits	54 52m	63 80m
Net per share	[illegible]	3 74

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CONDENSED CONSOLIDATED STATEMENT OF CONDITION OF THE BANK AND ITS SUBSIDIARIES

as at 31st December, 1978

Paid-up Capital of the Bank	IL. 1,885,425,000	US$ 99,154,000
Reserve for proposed distribution of Capitalization Shares	304,138,000	15,995,000
Capital Reserves and Earned Surplus	1,774,509,000	93,321,000
	3,964,072,000	208,470,000
Capital Notes — Convertible into Shares of the Bank	861,352,000	45,296,000
	4,825,424,000	253,766,000
Interest of Outside Shareholders	860,067,000	45,231,000
Capital Notes and Debentures Issued by Subsidiaries — Convertible into Shares	309,064,000	16,253,000
	1,169,131,000	61,484,000
Non-Convertible Capital Notes and Bonds	3,645,209,000	191,701,000
Demand Deposits	24,141,203,000	1,269,581,000
Time and Savings Deposits	110,183,697,000	5,794,537,000
Deposits and Loans from Banking Institutions	33,809,164,000	1,778,016,000
	168,134,069,000	8,842,134,000
Deposits for the Granting of Loans	20,401,161,000	1,072,892,000
Debentures Issues by Subsidiaries	31,065,311,000	1,633,718,000
Other Accounts	5,043,617,000	265,243,000
Liabilities on Account of Customers	13,598,645,000	715,150,000
	247,882,567,000	13,036,090,000
Cash and Balances with Banks	98,748,548,000	5,193,165,000
Securities	12,983,949,000	682,823,000
Deposits with and Loans to the Government	48,512,111,000	2,551,241,000
Loans	50,894,543,000	2,676,533,000
Loans out of Deposits for the Granting of Loans	19,618,210,000	1,031,717,000
	70,512,753,000	3,708,250,000
Other Accounts	2,370,326,000	124,655,000
Bank Premises and Equipment	1,156,235,000	60,806,000
Liabilities of Customers	13,508,645,000	715,150,000
	247,882,567,000	13,036,090,000

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Companies and Markets

INTL. COMPANIES and FINANCE

THE BID FOR POLYCHROME

A determined three-cornered fight

BY SUE CAMERON IN LONDON AN D STEWART FLEMING IN NEW YORK

RHONE-POULENC, the French chemicals company, believes it stands an excellent chance of winning its battle with Dai Nippon, a Japanese group, for control of the U.S.-based Polychrome concern.

Polychrome, which produces printing inks and printing plates are thought to have about 8 per cent of the U.S. and European markets, is already 40 per cent owned by Rhone-Poulenc. But the French concern is anxious to gain a greater share of the worldwide printing inks and plates business. It says that if Dai Nippon should win the current legal battle over the two companies' proposed takeover bids then it will not necessarily retire from the fight. Rhone-Poulenc has certainly not ruled out the possibility of improving Dai Nippon's current offer of $25 a share.

The French company already produces printing inks and plates but only on a small scale. It concentrates at present on the high quality, top end of the market but it wants to expand into the larger scale, more popular side of the markets.

It believes that Polychrome's sales and profitability could be improved—partly by updating the U.S. company's plant at Yonkers in New York. Rhone-Poulenc reckons that Polychrome's German plant may be as much as 20 to 30 per cent more cost efficient than the one in New York.

If Rhone-Poulenc should fail in its bid for Polychrome it is expected to sell off its own existing printing inks and plates business. It is thought that the French group, which operates in most chemicals fields and is particularly strong in pharmaceuticals and health care products, would consider its current printing operations too small to be worthwhile without the addition of Polychrome.

Rhone-Poulenc clearly feels that it has Mr. Gregory Halpern, the founder of the U.S. company, to thank for its present problems in offering for Polychrome. Rhone-Poulenc alleges that Dai Nippon has offered to keep all of Polychrome's current management in their present positions—including Mr. Halpern—if it wins its bid for the U.S. group.

Rhone-Poulenc would undoubtedly like to see Polychrome under new and, perhaps, younger management.

One reason why Dai Nippon, Rhone-Poulenc's opponent, is interested in Polychrome is perhaps because of the U.S. company's presence in Japan. Polychrome has a valuable licensing agreement with Fuji Photo of Japan which currently brings in $1.5m a year in royalty income. But it is understood the licensing agreement with Fuji is due to expire in eight years and it is thought likely that Dai Nippon would welcome the chance to take over this slice of the Japanese market.

As they plan their tactics in the $60m takeover battle for U.S. printing equipment manufatcurer Polychrome, investment bankers at the New York firms of Lazard Freres and Dillon Read can be forgiven for feeling that the situation they face is both extraordinary and oddly familiar.

Rhone-Poulenc, also plans to continue its policy of investment in overseas activities, particularly in the U.S. and Japan. According to M. Jean Gandois, assistant managing director of the group, Rhone-Poulenc's overall investments this year should reach between FFr 1.8bn ($418.6m) and FFr 2bn. These will be based upon an improvement in the group's financial position which follows the policy of reorganisation launched two years ago.

Last week Rhone-Poulenc, the French chemicals and pharmaceuticals company announced that it was planning to increase its 40 per cent stake in Polychrome to over 50 per cent by purchasing a further 375,000 to 475,000 of Polychrome's 2.4m shares at a price of $17.25 a share. At that time the stock was selling at $13 on the American Stock Exchange.

Rhone-Poulenc immediately made it clear that its plans included taking at least a majority position on the Board (it currently has only two representatives on the Polychrome Board) and appointing the chairman and chief executive. The latter move implied that Rhone-Poulenc would ask Mr. Gregory Halpern, the octoGenarian who founded Polychrome in 1936 to step aside and accept a consultancy post.

In the wake of this move an ominous silence hung over Polychrome headquarters. It was punctuated by a brief announcement that there was another suitor in the wings, and by implication, one which was prospectively more attractive to Mr. Halpern, a white knight in fact.

By last Friday a rattle of competing takeover offers had left a Japanese company, Dai Nippon Ink and Chemicals with the highest offer on the table, $25 a share.

Moreover the Japanese company had taken a giant step towards neutralising Rhone-Poulenc's 40 per cent voting stake in Polychrome. It had agreed to give Polychrome $20m in exchange for preference stock which, when issued, would leave the Japanese concern with 33 per cent of the votes in Polychrome and at the same time reduce Rhone-Poulenc's voting power to 28 per cent. It is also proposing to enter into a licensing and trading agreement with Dai Nippon.

As a result Rhone-Poulenc had every reason to feel that it was being squeezed out of the situation, especially since earlier in the year it had discussed selling its 40 per cent of Polychrome to Dai Nippon at $20 a share.

This week it went to court to try to block the preference stock issue to Dai Nippon, a move which could determine the outcome of the battle.

It is rare for one foreign company to get involved in a hostile takeover in the U.S. Most find the prospects of a protracted legal battle and a potentially hostile public reaction reason enough to back away from such moves. But for Lazards and Dillon Read this is the second time in a year that they have found themselves advising contestants in such a bid.

Almost exactly a year ago, Rhone-Poulenc's financial advisers Lazards, and Polychrome's advisers Dillon Read found themselves embroiled in a similar hostile takeover battle. Then Lazard was advising Britain's BOC International as it tried, and eventually succeeded in wrestling control of U.S. gases producer, Airco, in a $400m deal. Dillon Read was adviser to Airco this time it is working for Polychrome.

In that deal BOC's 34 per cent stake in Airco proved to be an obstacle which Dillon Read and Airco could not overcome. Dillon Read appears to have learnt the lesson—helped by Dai Nippon's advisers Smith Barney. The controversial preference issue to Dai Nippon, if the courts do not block it, could give Dai Nippon the edge.

But one question which emerges is why two major international companies are so anxious to get control of a relatively small U.S. printing equipment producer Polychrome.

Polychrome appears to be a commercially desirable property. The company derives the bulk of its $111m sales revenues and $4.8m net profits (in 1978) from sales of lithographic printing plates, films, and inks. Its equipment is used in the printing of such diverse publications as Playboy magazine and National Geographic.

With the boom in the U.S. magazine industry and the rapid growth of these more advanced printing technologies, Polychrome's sales have grown rapidly—by 18.5 per cent compound between 1973 and 1977. But its profits performance has not been so impressive, with earnings growing by only 5 per cent compound in the same period, partly because of a bad setback in 1975.

Rhone-Poulenc clearly feels that the business could be made more profitable.

Polychrome's main competitors include Eastman Kodak, Du Pont, Minnesota Mining and Manufacturing, Hoechst, and Vickers. It sees its competitive advantage not in technology but in marketing, unlike its rivals it distributes direct to printers not through independent distributors.

Air India to raise $179m aircraft loan

By Francis Ghilès

Air India is raising $179m to finance the purchase of three Boeing 747 aircraft. Of this total, $50m will be in the form of a medium term credit for four and a-half years, with 18 months grace. Joint lead managers are Midland Bank and the State Bank of India with the first also acting as agent. The borrower will pay a spread over LIBOR of ½ per cent for two years rising to ¾ per cent. The loan will be guaranteed by the Republic of India.

A further $50m will be proprovided by the U.S. Eximbank while $79m will be funded locally.

The Brazilian airline, Varig, is arranging a financial package amounting to at least $200m, of which $78m will be in the form of commercial loans. The first part is split into two tranches. A 3½ year $29.5m tranche carries a spread of ¾ per cent and a second tranche amounting to $40m a spread of 1¼ per cent, not 1⅜ per cent as mistakenly suggested yesterday. The second part of this loan amounts to $8.5m and is related to the Canadian-provided equipment.

Dutch insurer in U.S. talks

By Our Amsterdam Correspondent

NATIONALE-Nederlanden, the largest Dutch insurance group, is once more discussing the possibility of a bid for Life Insurance Company of Georgia (LOG). In October LOG first revealed details of a proposed deal when it said it had rejected a $300m bid from the Dutch group although at the time NN said it was only carrying out exploratory talks with the Atlanta based firm.

Lehman Bros. are acting as advisers to NN in the discussions. NN has expanded rapidly in the U.S., acquiring three life and one general insurance company over the past four years.

OGEM calls off Nederhorst bid

BY CHARLES BATCHELOR IN AMSTERDAM

THE PROPOSED takeover by OGEM, the Dutch trading and construction group, of the building activities of the Nederhorst concern has been called off. OGEM said that unless other buyers can be found for the troubled Nederhorst group, which had sales of FL 934m ($467m) in 1977, it will be wound up.

OGEM also announced a 20 per cent increase in 1978 net profit to FL 32.8m ($16.4m) following the 32 per cent rise the year before. It proposes increasing the dividend to FL 2.40 per share from FL 2.30. The company reported a 22 per cent increase at the net level in the first half of 1978 on turnover nine per cent higher at Fl 1.74bn.

Three years of talks between OGEM and the Dutch Economics Ministry have failed to produce an agreement on the conditions for the formation of a new construction group, OGEM Nederhorst from Nederhorst and OGEM's existing construction division.

OGEM has been managing the Nederhorst companies under a state guarantee since 1976 but has been unable to reach agreement on the relative OGEM/state share in the rescue.

The Government will put up Fl 200m to allow Nederhorst to finish existing contracts and to allow a winding down of the business if no other purchaser can be found, Economics Minister Mr. Gijs Van Aardenne said. OGEM said it was not interested even in the profitable parts of Nederhorst. Nederhorst has a workforce of 7,000, half of them in Holland.

The refusal of Nederhorst's bankers to provide further credits to the company unless these were guaranteed by the state prompted the decision to call off the deal, OGEM said. Nederhorst's recent performance has not been very promising. Underuse of capacity, the erosion of the company's capital base, high financing costs and poor prospects all contributed to the decision to call off the talks.

OGEM is a widely diversified company with 1977 turnover of Fl 3.5bn. Just over Fl 2bn came from its trading activities, Fl 925m from its engineering and plant assembly division and Fl 492m from construction.

Holland 15-year bond

BY OUR FINANCIAL STAFF

THE DUTCH Government is to tap the capital market through the issue of a 15 year bond. Coupon will be 3¾ per cent and the offering will be priced next week.

The terms of the issue are broadly in line with the market and compare with last month's state offering which was for a maturity of 10 years on a coupon of 8¼ per cent. The Dutch government last issued a 15 year stock in October 1978.

A combination of the weakness of the dollar and a move to higher interest rates in West Germany have had a disturbing effect on the Amsterdam capital market in recent months.

Last month's state offering was an immediate success in terms of demand, pulling in Fl 500m. But the issue quickly sank to a discount on its issue price of 100.5.

● The Austrian Government is to float a Sch4bn, two tranche bond from next Monday. Both tranches have coupons of 7.25 per cent. The first has a life of 15 years and an issue price of 99.75 per cent and the second has a life of eight years and issue price of 99.7 per cent.

Hilmar Reksten to face prosecution

By Fay Gjester in Oslo

Norwegian shipowner, Hilmar Reksten, is to be prosecuted on charges of tax evasion and and violation of currency regulations, an official of the Bergen public prosecutor's office confirmed yesterday.

The official said the precise details of the charges would be released after they had been made known to Mr. Reksten.

R Bergen court indicted Reksten on tax and currency charges in June 1976, as a result of accusations by the Bank of Norway and the Inland Revenue, but the decision to prosecute has been long in coming.

It follows more than two years of police investigation into the affairs of the Reksten shipping group and various companies registered in Panama, Liberia and the Bahamas, to which the shipowner is alleged to have channelled profits from shipping deals.

The investigation is believed to have been based mainly on documents confiscated by Bergen police. The results of the investigation, and the documents themselves, have also been studied by the Inland Revenue and the Bank of Norway, who have added their comments.

The Regstan affair has political overtones, because Mr. Reksten's shipping companies in Norway have received substantial loan guarantees from the State-backed Norwegian Guarantee Institute.

● The Finnish state owned oil company Neste has bought a 229,000 dwt supertanker from the Norwegian shipowner, Wrangell for an undisclosed price. Neste said the price of the deal could not be disclosed, but added that the supertanker, T/T Corona, which lies stripped in Tangesund, Norway, cost about one fifth of the price of a new ship of that size.

Improved earnings at Swiss foods group

BY JOHN WICKS IN ZURICH

GROUP TURNOVER of the Swiss foodstuffs concern Hero Conserven Lenzburg rose by 2.9 per cent last year to SwFr 422.4m. All group companies contributed to this growth, which would have been of 7.6 per cent had exchange rates remained unaltered over the year. Cash-flow, which declined in 1977 to SwFr 15.8m, is said to have improved while net profits were also higher. In 1977 earnings were SwFr 4.9m.

The parent company showed a rise in net profits from SwFr 4.87m to SwFr 5.14m and is to recommend an unchanged dividend of SwFr 85 per share. However, parent-company turnover is reported to have been "unsatisfactory" in the second half of 1978, with annual sales growth emerging at only 0.3 per cent. Among foreign subsidiaries, the French affiliate balanced its profit-and-loss account, while the Dutch subsidiary showed a loss.

* * *

Handelsbank NW, of Zurich, which is affiliated to the National Westminster group, is to pay an unchanged dividend of 12 per cent. Net profits rose from SwFr 9.5m to SwFr 9.7m last year, while the bank's balance-sheet total went up by 13 per cent to SwFr 1.4bn. Including consolidated subsidiaries, the balance-sheet total rose from SwFr 1.51bn to SwFr 1.67bn.

* * *

Turnover of Siemens-Albis AG, the Zurich-based subsidiary of the German Siemens group, rose from SwFr 498.3m to SwFr 516m in the year ended September 30, 1978. The increase is attributed primarily to the billing of a number of large export orders from previous years. The export share of sales rose from 15 to 18 per cent.

From a slightly higher net profit of SWFr 9.2m against SwFr 8.9m, the company is to distribute an unchanged dividend of 12 per cent. Siemens-Albis is active in the field of tele-communications, electrical engineering and electronics.

* * *

Swiss and Middle-Eastern partners have joined in establishing a new bank in Geneva. Called Banque unie pour l'Orient Arabe-Banorient, the company has an initial capital of SwFr 10m of which Swiss shareholders hold a majority stake. These are the Geneva private bank Hentsch and Cie, the Lausanne-based international trading company André SA, the building materials company Amiantus AG and the foodstuffs company Fiscosal AG.

Record results from Matsushita

BY RICHARD C. HANSON IN TOKYO

MATSUSHITA Electric Industrial Company has announced record consolidated earnings and sales for the year and quarter ended November 20. At the same time, it has stopped completely exports of colour television sets to the U.S. from Japan, and is boosting further overseas production of its products.

Consolidated net profit for the year rose 14.4 per cent to Y89.23bn ($453m) while sales increased 10.1 per cent to Y2,146bn ($10.89bn). In the fourth quarter net profit rose 9 per cent to Y24.16bn on a sales gain of 8 per cent to Y571.6bn.

The company forecast that net profit for the current year will rise more than 7 per cent to over Y95bn on a sales gain "in excess" of 5 per cent to more than Y2,250bn.

Domestic sales were up 11 per cent as consumer spending improved. Exports, despite the appreciation of the yen and worsened conditions for imports in major overseas markets, rose 9 per cent to Y579,621bn, or 27 per cent of the total compared with 27.2 per cent in the prior year.

Exports this year are expected to drop 4 per cent with the shift in production for the U.S. market to its recently reorganised subsidiary there.

Overall the company intends to increase its overseas production by about 20 per cent this year. Over the past year or so it has raised the number of overseas manufacturing facilities from 29 to 39, and will concentrate on further enhancing their production.

In dollar terms, overseas production came to about $1bn in 1978 compared with $880m in 1977.

Matsushita became the last Japanese television maker *officially to shift from exporting* directly to the U.S. Its sales in the U.S. market generally, however, have shown greater increases than the overall sales. The U.S. took 41 per cent of all the exports (compared with 20 per cent to Europe) and were up 24 per cent (up 16 per cent to Europe).

Behind the gain is Matsushita's success in marketing its home video system through American outlets. The value of video exports has now outpaced that of colour televisions.

In 1978 Matsushita produced 694,000 *video units, three times* the 218,000 units in 1977. Exports rose to 475,000 units from 124,000 units. It is believed that the Matsushita system (adopted from its affiliate, Victor Company of Japan) has more than 70 per cent of the world market, leaving behind the Betamax system developed by Sony Corporation.

Home video production is expected to increase another 30 per cent his year.

The domestic market has proved buoyant, particularly for video and stereo products. Last year's hot summer weather pushed up *sales* of air conditioners and refrigerators. Video, stereo and microwave ovens were the best export *performers*.

It is hoped that the introduction of multiplex broadcasting systems last year will boost television sales this year, but generally such sales have been somewhat less than hoped, because of the limited number of such broadcasts at present.

Matsushita plans to go ahead with a Y50bn public issue of unsecured bonds in April. This will be the first issue by a Japanese company of unsecured bonds, which only recently were given the go ahead by the Ministry of Finance. Toyota Motor is the only other Japanese company which qualifies for *such issues. Sears, Roebuck* and Company will become the first such case next month.

Asahi Breweries profits up 43%

TOKYO—Asahi Breweries, Japan's third-ranking beer brewers, has announced that its net profit in the fiscal year ended last December 31 went up 42.9 per cent to Y2.558bn ($126.6m). Sales totalled Y183.721bn, up 12 per cent from the Y163.993bn for 1977.

Its per share profit was Y12.47 compared with Y8.77.

Meanwhile, Sumitomo Chemical Co. has reported after-tax 1978 profit of Y3.89bn ($192.6m) on sales of Y434.95bn (Y447.31bn). The dividend is maintained at Y3.

Agencies

Sweden to issue matching bonds

By Charles Smith in Tokyo

THE SWEDISH Government plans to issue a $100m bond in the Japanese and European *market in late April*, followed by an almost simultaneous Y20bn ($100m) bond in Toyka in early May, Nomura Securities announced today.

The two issues would be the first instance of "matching" yen and dollar denominated bonds being issued in the Tokyo market by a foreign borrower. One of the purposes of coupling yen and dollar issues will be to minimise the exchange risks involved in borrowing only in yen.

In deciding to float a dollar bond issue partly in Japan and partly *in Europe, Sweden* will be following the example Bank which made the first such issue last September.

Nomura tims to sell about 70 per cent of the dollar issue in Japan with the remainder in Europe but the exact ratio between sales in the two markets will depend *on demand at either end.*

Registration of a dollar issue with the Ministry of Finance in Tokyo means that Japenese underwriters participate in the selling of the bond, which in turn means that more Japanese purchasing can be expected than if the issue were made solely in Europe.

Nomura Securities will be the lead manager for the Tokyo portion of the dollar issue and for the subsequent yen issue. The European portion of the dollar issue will be managed by S. G. Warburg and Company.

Meanwhile, the Malaysian Government is completing negotiations on a Y15bn, ten-year issue in the Tokyo market. The signing is expected on March 2.

The underwriting group is trying to settle the terms which will probably include a coupon rate of 7.1 per cent *to 7.3 per cent, the highest* in Tokyo in many months. The issue could be very well received at the higher coupon, but the lower rate might find some resistance because of poor conditions for long-term bonds.

Improved margins at Hanimex

By Our Sydney Correspondent

HANIMEX, the international photographic and leisure goods group, lifted earnings 16 per cent from A$2.42m to A$2.81m (U.S.$3.19m) in the December half and has raised the interim divident from 3.5 to 4 cents.

Barring unforeseen circumstances directors expect to maintain the final at the higer rate, which would lift the total payout from 7 to 8 cents a share.

The higher profit was achieved on a sales increase of only 1.7 per cent from A$64.5m to A$65.6m.

The directors said the half year finished on an improving trend, and despite the current weather conditions in the northern hemisphere, the company was planning growth in group earnings for the full year.

The main increases are expected to come from the U.S., the U.K. and Australia. Both the Australian and British operations recorded strong improvements in sales and profits in the latest half year.

Small rise for Ansett Transport

BY JAMES FORTH IN SYDNEY

ANSETT TRANSPORT Industries, the airline, transport, engineering, television and leisure group, managed only a marginal 2 per cent increase in *trading profit, from A$11.06m to* A$11.28m (U.S.$12.82m) in the December half year. Moreover, the directors have provided almost A$9.4m against the company's investment in the finance company, Associated Securities, which went into receivership earlier this month, and incurred a foreign exchange loss of A$1.35m on term loans. The interim dividend is maintained at 5 cents a share.

Ansett owns 48.4 per cent of ASL, with A$8.77m in ordinary shares, A$10m in preference capital and A$610,000 in its accumulated reserves representing earlier equity accounted profits.

The directors have provided for full loss of the ordinary share investment and the accumulated reserves, but have decided to await ASL's statement of affairs before deciding whether the A$10m preference investment is at risk. They said *that depending on the information* in the statement of affairs it may be considered necessary to provide against the loss of the whole or part of that investment, and any action required would be taken promptly.

The directors reported that the overall performance of the group had been at a level close to the previous year, but a degree of hesitancy continued in a number of areas, reflecting the state of some sectors of the economy.

There had been anticipated *growth in the rate of air passenger traffic* growth to 4.4 per cent following cost induced fare increases, mainly due to the 1978 federal budget decision to move immediately to world parity pricing for indigenous crude oil. Attention was being given to maintaining load factors at a high level to try to combat further cost increases, particularly in jet fuel and in wage levels generally.

The directors said there was some prospect of further growth *in air traffic in the second half* which would tend to compensate for increased fuel and labour cost. In some other areas some response had been noted to the *slowly* improving state of the economy although this was by no means general. Therefore it was not possible to predict with any certainty the overall performance of the group in the second half.

Loss for Woodside Petroleum

SYDNEY—Woodside Petroleum has reported an attributable operating loss of A$852,000 (U.S.$965,000) for 1978, against a profit of A$658,000 in 1977. The dividend is again passed.

Woodside said that an A$1.85m exploration expenditure write-off was the only *material* factor affecting the results.

The company's turnover rose to A$3.91m (U.S.$4.4m) from A$3.21m. A profit of A$1.69m before tax, write-off and minorities, compared with A$1.11m, reflected equity accounting of its 53.14 per cent stake in the South Australian natural gas producer, Vamgas.

Reuter

South Korean banking group improves

By Ron Richardson in Seoul

KOREA Merchant Banking Corporation, the longest established merchant bank in South Korea, recorded a 76 per cent increase in after-tax earnings to 1.26bn won (U.S.$2.6m) in the year to December 31.

The bank is a joint venture between Lazard Brothers, Barclays Bank International and a number of large Korean companies.

The balance sheet shows total liabilities of the company at 20.5bn won with the largest portion in short-term notes.

Woolworths at new peak

By Our Sydney Correspondent

WOOLWORTHS, THE major variety and supermarket retail chain, notched up its eighth successive record profit in the year to January 31 and has lifted the dividend from 9.5 to 10.5 cents a share.

Group profit rose 18.2 per cent from A$28.9m to A$34.2m (U.S.$38.86m), outpacing the 16.6 per cent sales increase, from A$1.5bn to A$1.74bn. Taken with last month's report of a A$28.9m profit for Woolworth's major rival, G. J. Coles *in the first half of 1978-79* it confirms that the Christmas period was buoyant for retailers.

Woolworths directors said the company continued to improve its growth in market share, and added that a favourable trend in sales had continued into 1979.

On a pre-tax basis the earnings rose from 3.09 per cent of turnover to 3.14 per cent.

Refinery setback for Ampol Petroleum

SYDNEY—Ampol Petroleum profit in its first half, to March, will not match the A$5.76m (U.S.$6.5m) earned after tax in *the first-half* last year, Sir Walter Leonard, the chairman, said at the company's annual meeting.

The main reason was that Ampol's Brisbane refinery would not be able to meet product demand.

The prediction ignored the extraordinary tax-free capital *profit of A$11.4m from the* sale of the company's investment in R. W. Miller (Holdings).

Sir Walter said that a number of imponderables made profit for the full year difficult to predict, but if the matters could be resolved, the profit would approximate to the A$9.96m after-tax in the year to September 30, 1978. The company was poised for expansion and consolidation on a firm base.

Reuter

East Asiatic ahead of forecast

BY WONG SULONG IN KUALA LUMPUR

PROFITS AT East Asiatic Company of Malaysia for last year were much better than had been expected. The group reported a pretax profit of 24.5m ringgits (U.S.$11.18m) of which 21.38m ringgits came from the parent company.

When East Asiatic of Malaysia went public last June, directors *had forecast that pretax profits* of the parent company would be around 19.5m ringgits, but as it turned out, the profits were 10 per cent higher, largely due to higher commodity prices.

The group's profits of 24.5m ringgits include the post acquisition profits of the group's subsidiary, River Estates Berhad which was acquired in August last year for a cash consideration of nearly 30m ringgits.

A final dividend of 12.5 per cent is declared, bringing the year's total to 20 per cent, which was the amount promised in its public prospectus last June.

At Batu Linting Rubber Company, one of the many rubber companies controlled by Senator Lee Loy Seng, pretax profits rose sharply by 87 per cent to 3.44m ringgits for the half year ended December.

The company said there was a substantial increase in the acreage under matured oil palm, resulting in a 59 per cent rise in output, which together with more favourable prices, was responsible for the good profits.

A 5 per cent dividend is declared.

* * *

PROFITS AT Arab-Malaysian Development Bank rose by 140 per cent last year, to 3.25m ringgit (U.S.$1.5m), from 1.35m ringgit, in spite of tight liquidity and narrowing interest rate margins.

Total assets of the group doubled, from 255m ringgit to 510m ringgit (U.S.$233m), while loans rose by a similar percentage from 177m ringgit to 357m ringgit. Deposits, however, showed an increase of 60 per cent to 356m ringgit.

Mr. Hussain Najadi, managing director of AMDB, said that about 60 per cent of the *bank's business was derived* from its branch office in Bahrain, which handled most of the bank's foreign currency operations and lending to countries other than Malaysia.

But despite the increase in capital, the leverage of the group was higher because of business, and to balance its commitments, the bank had to increase its long term liabilities, significantly.

Mr. Najadi expects profits for this year to double that of last year, but added that the new Malaysian central bank directive that at least 130 per cent of the income of merchant banks must be fee-based by 1982 would pose a tremendous constraint on growth.

The bank has made a strong *impact in the Middle East, and* he expects further contributions from this area to the bank's growth in profits.

Meanwhile, agreement has been reached for Malaysian Industrial Development Finance Berhad to buy the 20 per cent interest in Arab Malaysian Development Bank and 25 per cent in Malaysian International Merchant Bankers currently held by Malayan Banking Berhad.

Earnings up at Jardine Securities

By Hugh Peyman in Hong Kong

JARDINE, MATHESON'S associate Jardine Securities has reported a 10 per cent interim net profit rise to HK$21.5m (U.S.$4.47m).

The company raised its interim dividend 1 cent to 17 cents and forecast a final dividend of at least 1 cent above last year's 31 cents.

The Cross Harbour Tunnel company has raised its third quarter dividend to 15 cents from 13 cents in the same 1978 period to make a total dividend so far for the year ending March 31, 1979, of 45 cents compared with 39 cents in the first three 1978 quarters.

Growth at industry bank

BY L. DANIEL IN TEL AVIV

THE ISRAEL Industrial Development Bank—the main instrument for financing investments in industry, which is controlled by the Government and the country's three largest banks—approved loans totalling I£3.5bn ($200m) in 1978, compared with only I£1bn in 1977.

Loans extended came to I£1.8bn — an increase of 50 per cent on 1977. Approval of projects — new plants for expansion programme — usually precedes financing by several months, since construction does not normally start straight away.

The bank's balance sheet stood at I£15.8bn at the end of 1978, as compared with I£11.8bn a year earlier. Net profit after tax came to I£173.3m ($10m), compared with I£106.7m for 1977.

Over 90 per cent of the bank's shares are held, in total, by the Government (with 26 per cent), Bank Hapoalim (33 per cent) Bank Leumi (20 per cent) and Israel Discount (12.5 per cent).

Singapore tourist boom boosts Sealion

BY H. F. LEE IN SINGAPORE

OPERATING PROFIT at Sealion Hotels, owner of the 824-room Hyatt Singapore Hotel, increased more than two-fold last year to a record S$4.1m (US$1.9m).

The record profit for the year ended December 1978 also surpassed the company's own forecast of S$3.7m made in November last year in its prospectus issued in connection with its application for listing on the Stock Exchange of Singapore.

Profit after deducting taxation and depreciation, amounting to S$2.15m and S$2.23m respectively, was S$1.9m, also slightly higher than the forecast figure of S$1.7m. Sealion has proposed a maiden first and final gross dividend of 5 per cent as promised in its prospectus.

Gross sales rose by about 16 per cent to S$35.3m (US$16m), with room sales and food and beverage sales sharing evenly.

The hotel achieved an average occupancy rate of 82.8 per cent last year, compared with 81.5 per cent in 1977.

Sealion's performance reflects *the booming conditions in* Singapore's tourism industry last year. Practically all major hotels in Singapore chalked up record profit figures.

* * *

THE SINGAPORE Securities Industry Council (SIC) has *ruled as valid the acceptances* submitted by the United Overseas Bank (UOB) in respect of its holding of 4.47m shares in Singapore Finance. Hong Leong Finance had earlier questioned the validity of UOB's acceptances. UOB submitted its acceptances for Hong Leong's *cash alternative offer of S$3.60* per share for Singapore Finance shares five minutes before the offer closed.

With the SIC ruling, Hong Leong is now confirmed to be the holder of 11.36m shares in Singapore Finance, equivalent to 94.69 per cent of the *company's issued capital.*

Under the provisions of the Singapore Companies Act, Hong Leong, if it so desires, can compulsorily acquire the remaining 5.31 per cent of Singapore Finance's issued capital.

* * *

CONSOLIDATED Plantations, *the subsidiary of Sime Darby,* announced the acquisition of the whole issued share capital of Pua Estate in Sabah, East Malaysia, for 10.16m ringgit ($4.6m), Agencie report.

It said Pua owns a 10,000 acre estate of prime agricultural *land in Sabah, with nearly 3,000* acres planted to cocoa and oil palm.

THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

U.S.$10,000,000

Floating Rate Certificates of Deposit

Maturity Date 4th March 1982

Managed by

Nippon European Bank S.A.

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the initial six month interest period from 1st March 1979 to 4th September 1979 the Certificates will carry an Interest Rate of eleven and five-eights per cent. (11⅝%) per annum.

Reference Agent

Nippon European Bank S.A.

This announcement appears as a matter of record only

MECCANICA FINANZIARIA INTERNATIONAL S.A.

US $40,000,000

Term Credit Facility

Guaranteed by

FINMECCANICA

Managed by

Lavoro Bank International — Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Provided by

Allied Bank and Trust Company (Bahamas) Limited
Banque Arabe et Internationale d'Investissement (B.A.I.I.)
Banque Commerciale pour l'Europe du Nord (Eurobank)
Lavoro Bank International
Standard Chartered Bank Limited
Harris Trust and Savings Bank
Union Méditerranéenne de Banques
Berliner Bank International Société Anonyme
PKBanken International (Luxembourg) S.A.
Banque Continentale du Luxembourg S.A.
Banque Franco-Roumaine
Banque Internationale pour l'Afrique Occidentale (B.I.A.O.)
Banque Vernes et Commerciale de Paris
Den Norske Creditbank (Luxembourg) S.A.
Chemical Bank
Lavoro Bank A.G.
Kansallis International Bank S.A.
Unione di Banche Arabe ed Europee (Italia) S.p.A.
Santo Spirito Investments Limited

Agent Bank

Banca Nazionale del Lavoro

London Branch

November 1978

This announcement appears as a matter of record only

SOCIETÀ FINANZIARIA MECCANICA

FINMECCANICA

US $30,000,000

Medium Term Loan

Managed by

Banque Arabe et Internationale d'Investissement (B.A.I.I.) — Lavoro Bank Overseas N.V.

and

Industrial Multinational Investments Limited

Provided by

Industrial Multinational Investments Limited
The Yasuda Trust and Banking Company Limited
Banque Arabe et Internationale d'Investissement (B.A.I.I.)
Lavoro Bank Overseas N.V.
Allied Bank and Trust Company (Bahamas) Limited
Banco de la Nacion Argentina
Banque Commerciale pour l'Europe du Nord (Eurobank)
Berliner Bank International Société Anonyme
The Royal Bank of Canada (France)
A P Bank Limited

Agent Bank

Banca Nazionale del Lavoro

London Branch

November 1978

This announcement appears as a matter of record only.

THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

U.S. $10,000,000

Negotiable Floating Rate Certificates of Deposit

Maturity Date 4th March 1982

Managed by

Nippon European Bank S.A.

March 1979

Weekly net asset value on February 25th 1979

Tokyo Pacific Holdings N.V.

U.S. $65.31

Tokyo Pacific Holdings (Seaboard) N.V.

U.S. $47.59

Listed on the Amsterdam Stock Exchange.

Information: Pierson, Heldring & Pierson NV Herengracht 214, Amsterdam.

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.

Index Guide as at February 20, 1979 (Base 100 on 14.1.77)

Clive Fixed Interest Capital 131.30

Clive Fixed Interest Income 110.47xd

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	20.2.79	27.2.79	AVERAGE YIELD	20.2.79	27.2.79
DM Bonds	102.84	102.44	DM Bonds	6.849	6.921
HFL Bonds & Notes	99.56	98.99	HFL Bonds & Notes	8.433	8.645
U.S. $ Strt. Bonds	95.72	95.44	U.S. $ Strt. Bonds	9.585	9.634
Can. Dollar Bonds	95.89	95.69	Can. Dollar Bonds	10.200	10.241

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

45 Cornhill, London, EC3V 3PB. Tel.: 0-623 6314.

Index Guide as at February 22, 1979

Capital Fixed Interest Portfolio 101.94

Income Fixed Interest Portfolio 100.56

WORLD STOCK MARKETS

Wall St. narrowly easier after early trading

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—88¾% (91¼%)
Effective $2.0235-46¾% (48¾%)

FOLLOWING THE previous day's sharp retreat, Wall Street stocks moved indecisively yesterday morning in a fair business before recording narrow movements with an easier bias at mid-session.

The Dow Jones Industrial Average, down 14 points on Tuesday, was a modest 1.30 lower at 805.70 at 1 pm yesterday. The NYSE All Common Index slipped 9 cents further to $53.79 while declining issues outscored gains at mid-session by about a three-to-two margin. Trading volume came to 18.75m shares, compared with the previous day's 1 pm level of 21.29m.

Closing prices and market reports were not available for this edition.

Some analysts felt that Tuesday's market may have over-reacted to mid-East tension and the conflict in the Far East.

Heavily-traded Polaroid gained ⅝ to $39¾. Rorer Group, which has dropped a proposal to acquire Narco Scientific, picked up 1¼ to $16½. Narco was not traded.

Texas International Airlines, which has issued details of its bid for National Airlines, lost ⅛ to $11¾ on the American exchange. National put on ⅝ to $39¼, Eastern Air Lines ⅛ to $7½ and Pan-American Airways ⅛ to $5⅞.

Harcourt Brace Jovanovich advanced 1⅝ to $39¼. It reported an operating income loss for the fourth-quarter but higher earnings for the year, and also predicted higher earnings for 1979, 1980 and 1981.

Philip Morris gained ⅜ to $65⅜. The company has declared a two-for-one scrip stock split and increased the quarterly dividend on pre-split shares to 62½ cents from 51¼.

THE AMERICAN S.E. Market Value Index, after Tuesday's fall of 2.85, recovered 0.16 to 160.57 at 1 p.m., but losses led gains by 276 to 168. Volume 1.96m shares (6.53m).

Active Resorts International "A" rose ¼ to $46¼. Brascan were up ⅛ at $18⅝ but Syntex lost ⅜ to $32¾.

Dome Petroleum, which plans a stock split, moved ahead ⅝ to $95¼.

Canada

Irregular movements occurred on Canadian markets at mid-day yesterday following another active business.

The Toronto Composite Index gained 1.2 at 1,387.0 at noon, while Golds improved 10.0 to 1,608.0 and Oils and Gas 15.5 to 1,981.7. In contrast, Metals and Minerals lost 2.7 to 1,249.7 and Banks 0.89 to 310.30.

The Toronto Real Estate index rose nearly 27 points as Cadillac Fairview put on ⅜ to C$11½ on 333,743 shares.

Tokyo

After Tuesday's downward trend, stocks made an irregular showing yesterday in moderate activity.

The Nikkei-Dow Jones Average, after declining 23.83 the previous day, rallied 7.59 to 6,072.88, but the Tokyo SE index finished 0.79 lower at 448.75. Volume increased to 240m shares (200m).

Petroleums, Chemicals and some incentive-backed issues, including Tokiko, attracted selective support, but export-orientated shares, especially Vehicle Manufacturers, were mainly weaker on continuing apprehension over possible U.S. Congressional moves to impose surcharges on Japanese imports.

Nippon Oil advanced Y19 to Y759, Arabian Oil Y80 to Y2,640, Tohoku Fertiliser Y7 to Y370 and Nippon Chemical Y16 to Y175.

Pioneer Electronic, Y2,240, recovered half of the previous day's fall of Y120, but Matsushita Electric retreated Y8 to Y668, Victor of Japan Y20 to Y1,100, Nissan Motors Y13 to Y675 and Toyota Motor Y7 to Y853.

Steel Plant and Machinery Manufacturers declined on news that China is withholding approval of contracts for industrial plant imports.

Germany

Reversing the recent upward trend, share prices closed broadly lower in what market sources said was an apparent reaction to news of oil price rises and to the overnight weakness on Wall Street. Business, however, was very thin.

Motors, Machine Manufacturers and Banks led the decline.

Among Motors, BMW receded DM 2 and Volkswagen DM 2.80, while the Machine Manufacturers sector had Linde down DM 3, GHH off DM 3.30 and Mannesmann DM 2 weaker, but Babcock hardened DM 0.50.

Deutsche Bank retreated DM 2.50, Commerzbank DM 2.20 and Dresdner Bank DM 2.50.

Thyssen shed DM 1.40 in Steels, while in Stores, Karstadt eased DM 1.

Public Authority Bonds were little changed, while the Regulating Authorities sold DM 8.9m nominal of paper in Frankfurt after selling DM 18.7m on Tuesday. Mark Foreign Loans tended easier.

Paris

A two-day strike by Bourse employees prevented share price quotations being issued for the second consecutive session.

The Paris Bourse staff, striking in support of wage claims, are meeting this morning to discuss further industrial action, their union stated.

Hong Kong

The market made further headway in active two-way trading ahead of yesterday's Budget speech, with investor confidence boosted by Hong Kong and Shanghai Banking's results. The Hang Seng index finished 7.94 higher at 526.87.

Hong Kong and Shanghai Banking closed HK$1.20 up at HK$19.50, after touching HK$19.80.

Dealers noted a large amount of profit-taking during the day, however, especially in the Bank's shares, and said the market still carries an undertone of nervousness because of the Vietnam-China conflict.

Hong Kong Wharf moved ahead HK$1 to HK$30.50. Dealers said that they have noted a strong local buyer in the market for the shares. Hong Kong Land added 5 cents at HK$7.65, Jardine Matheson 10 cents at HK$11.60, Swire Pacific "A" 20 cents at HK$8.05 and China Light 30 cents at HK$21.10, but Hong Kong Telephone ended 20 cents down at HK$28.20.

Jardine Securities, despite reporting a higher interim dividend, closed unchanged at HK$5.60.

Switzerland

The recent reactionary tendency lessened yesterday and some stocks staged a recovery, leaving a mixed picture at the close.

A better performing Bond market helped sentiment in the stock market, although the political situations in the Mid-East and Far East may continue to overshadow its performance, one dealer commented.

Another dealer noted that many investors were holding back, partly waiting for the outcome of the March OPEC meeting.

Some bullish investors entered the market, anticipating a future uptrend, another dealer said, adding that interest rates are not expected to increase at least for the next two months and the Bond market is expected to continue its better performance.

Nestle picked up 10 to SwFr 3,510 and Electrowatt 20 to SwFr 2,010, but Sandoz were 40 weaker at SwFr 4,000.

Johannesburg

Gold shares were mixed but with a firmer bias in fairly active trading.

Diamond leader De Beers strengthened another 20 cents to R9.60 on further strong overseas buying. Copper share Palamin rose 10 cents to R12.10, but Platinums shed a few cents. Antimony issue Consolidated Murchison put on 15 cents to R6.65 in response to London demand.

Industrials were mostly little changed.

Australia

Activity remained at a low ebb with no clear trend emerging yesterday, although there was selective gains among Mining and Industrial leaders.

Western Mining featured with advance of 11 cents to A$2.22 on satisfaction with the rise in interim profits.

Associated Minerals moved ahead 9 cents more to A$1.95, while MIM gained 5 cents to A$3.22 and CRA 2 cents to A$3.62.

EZ Industries were 5 cents firmer at A$3.50 after reporting a return to profits in its latest half-year, but among the Coal stocks, Howard Smith eased 3 cents to A$4.42 despite announcing higher profits.

Golds improved in places with GMK and Poseidon each adding 3 cents at A$1.15 and 72 cents respectively. Central Norseman were unchanged at A$22.00.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
♦ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

Stock	Feb 27	Feb. 26
Abbott Labs	29¾	30⅝
AM International	16½	16¾
Adobe Oil & Gas	20⅜	20¾
Aetna Life & Ca.	40¼	41¼
Air Products	25⅞	25⅝
Alcan Aluminium	35½	36½
Alcoa	51½	52½
Alleg. Ludium	16⅛	16⅝
Corning Glass	53⅛	53¾
CPC Int'rnationa	49⅞	50⅝
Crane Co.	28⅞	29⅛
Crocker Natl	26⅜	26¾
Crown Zellerb'h	32¾	33¼
Cummins Engine	33½	34½
Curtiss Wright	14⅛	14⅝
Dana	26	27¾
Dart Industries	38	38
Johns Manville	22¾	23½
Johnson Johnson	68	68¾
Johnson Control	28⅛	28⅞
Joy Manufacturg	30⅝	30¾
K. Mart	23¼	23½
Kaiser Alumini'm	18¾	19
Kaiser Industries	2⅜	2⅛
Kaiser Steel	23⅞	24⅛
Kaneb Services	14¼	14⅝
Kay	14⅜	14⅛
Kennecott	22½	23½
Revlon	47½	48⅝
Reynolds Metals	34⅛	35¾
Reynolds R.J.	55¼	55½
Rich'son Merrell	22	22⅜
Rockwell Inter.	35⅞	36
Rohm & Haas	33¼	33⅞
Royal Dutch	64⅞	65
RTE	10⅞	10⅞
Ross Togs	9⅞	10⅛
Ryder System	20⅞	22⅝
Woolworth	19¼	19½
Wyly	4	4⅛
Xerox	55⅝	55½
Zapata	12⅝	13⅛
Zenith Radio	13⅛	14
U.S. Treas.4%'80	†95⅛	†95⅛
USTreas4¼%75/85	†78⅞	†78⅞
U.S. 90-day bills	9.45%	9.42%

CANADA

Stock	Feb 27	Feb 26
Toronto Dom.Bk.	22⅛	22⅛
TransCanPipeLn	18¾	18⅝
TransMount Pipe	9½	9¾
Trizec	‡21¼	20¾
Union Gas	10¼	10¼
UntdSiscoe Mnes	9¼	9¼
Walker Hiram	41¾	42
West Coast Trans	13½	12⅞
Weston (Geo.)	23	22⅝

† Bid. ‡ Asked. § Traded. ‖ New stock.

BASE LENDING RATES

A.B.N. Bank	13½%	■ Hill Samuel	§13½%
Allied Irish Banks Ltd.	13½%	C. Hoare & Co.	†13½%
Amro Bank	13½%	Julian S. Hodge	14½%
American Express Bk.	13½%	Hongkong & Shanghai	13½%
A P Bank Ltd.	13½%	Industrial Bk. of Scot.	13½%
Henry Ansbacher	13½%	Keyser Ullmann	13½%
Associates Cap. Corp.	14 %	Knowsley & Co. Ltd.	14½%
Banco de Bilbao	13½%	Lloyds Bank	13½%
Bank of Credit & Cmce.	13½%	London Mercantile	13½%
Bank of Cyprus	13½%	Edward Manson & Co.	14½%
Bank of N.S.W.	13½%	Midland Bank	13½%
Banque Belge Ltd.	14 %	■ Samuel Montagu	13½%
Banque du Rhone et de la Tamise S.A.	14 %	■ Morgan Grenfell	13½%
Barclays Bank	13½%	National Westminster	13½%
Bremar Holdings Ltd.	14½%	Norwich General Trust	13½%
Brit. Bank of Mid. East	13½%	P. S. Refson & Co.	13½%
■ Brown Shipley	13½%	Rossminster	13½%
Canada Perm't Trust	13½%	Royal Bk. Canada Tst.	13½%
Cayzer Ltd.	14 %	Schlesinger Limited	13½%
Cedar Holdings	13½%	E. S. Schwab	14½%
Charterhouse Japhet	13½%	Security Trust Co. Ltd.	14½%
Choulartons	13½%	Shenley Trust	15 %
C. E. Coates	13½%	■ Standard Chartered	13½%
Consolidated Credits	13½%	Trade Dev. Bank	13½%
Co-operative Bank	*13½%	Trustee Savings Bank	13½%
Corinthian Securities	13½%	Twentieth Century Bk.	14½%
Credit Lyonnais	13½%	United Bank of Kuwait	13½%
Duncan Lawrie	13½%	Whiteaway Laidlaw	14 %
The Cyprus Popular Bk	13½%	Williams & Glyn's	13½%
Eagil Trust	13½%	Yorkshire Bank	13½%
English Transcont.	13½%		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	13½%		
Greyhound Guaranty	13½%		
Grindlays Bank	‡13½%		
■ Guinness Mahon	13½%		
■ Hambros Bank	13½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11½% and over £25,000 11¾%.
‡ Call deposits over £1,000 11%.
§ Demand deposits 11%.

Pig disease outbreak controlled

By Our Commodities Staff

THE Ministry of Agriculture has lifted restrictions on the movement of pigs in a huge area of Humberside and Yorkshire. The restrictions were imposed recently following an outbreak of swine vesicular disease.

Health inspectors are confident that they have tracked down the source of infection and that the disease is under control.

All the pigs on 20 farms found to be infected in the outbreak have been slaughtered. Compensation worth about £45 a pig will cost the Exchequer about £1.1m.

All farms which still represent a risk because they have been infected or because of contact with infected holdings are still covered by restrictions.

Movement and marketing from other farms, however, can now return to normal.

New coffee price talks in April

By Our Commodities Staff

THE INTERNATIONAL Coffee Organisation will meet in London for a five-day session from April 2 to decide on action to stabilise world prices.

The decision was taken at an executive board meeting called because of the recent fall in prices which took values below the "floor" level agreed by the ICO Council last September.

The possibility of activating the economic clause of the 1976 International Coffee Agreement could be discussed at the April session. The clauses include export quotas triggered by prices moving outside an agreed range.

Failure to agree this trigger price range was one of the factors leading to the adjournment of the September meeting.

On the London futures market yesterday the May position declined £8.5 to £1,352 a tonne but more distant positions continued their recent rise. July coffee was £7 dearer at £1,354 a tonne while September gained another £18 to £1,343.5.

Some traders attributed these rises to deepening concern over the Uganda/Tanzania border situation. They said supplies of Ugandan coffee were adequate to meet nearby demand but road and rail transport disruptions could cause problems later.

Kenyan lorry drivers are believed to be increasingly reluctant to enter Uganda, they added.

New rise in copper prices

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES rose strongly on the London Metal Exchange yesterday reflecting overnight fears in the New York market of an escalation in the Chinese conflict with Vietnam. Cash wirebars closed £15 up to £1,010 a tonen.

The upturn was accelerated in late trading by news that Texasgulf, the Canadian-based metals group, had raised its producer price in the U.S. by 14 cents to 98 cents a pound and in Canada by 17 cents to $1.17.

The huge increase by Texasgulf established a new all-time high on the U.S. market and puts its price three cents above the previous "leader," Asarco.

Earlier Phelps Dodge, the second biggest U.S. copper producer, had raised its domestic price to 93 cents. So had Newmont Mining, while Duval had gone up to 94 cents.

The Texasgulf increase, one of the biggest-ever producer price rises, is equivalent to more than £150 a tonne at current exchange rates and takes the new price to around £1,020 a tonne.

The company is believed to have decided to raise prices in one jump, rather than several smaller increases.

The new price only becomes effective with April shipments under the forward price system introduced by Texasgulf last year.

The mood of the market remains very bullish with reports of heavy Chinese buying of copper this week. There is also concern about possible military moves by the Soviet Union and Saudi Arabia.

London broker M. C. Brackenbury, in a special report on the market published yesterday forecast that the previous high prices for copper reached in 1974 should be viewed as an interim target and may well be exceeded.

The report says that in the short-term the present bullish influences should continue to override any fears of a future industrial recession reducing demand.

It points out that at the joint meeting between representatives of the International Wrought Copper Council and many of the world copper producers in Santiago recently it was estimated that because of record consumption there was production deficit of 400,000 tonnes of refined copper last year. Forecasts for this year predicted that the deficit for 1979 would be of a similar magnitude.

Frost helps to clear potato glut

BY CHRISTOPHER PARKES

FROST DAMAGE and heavy sales for feeding to livestock have greatly reduced the surplus of potatoes overhanging the market.

And although consumption has not risen as rapidly as expected increased sales have helped to clear the glut.

Farmers are now working in the fields again and are too busy to prepare potatoes for market. The reduction in supplies in the pipeline is helping to improve prices which have been relatively low for much of the current season.

Many tonnes of potatoes which were not adequately protected from the cold were lost in the recent frosts, the Potato Marketing Board said.

About 320,000 tonnes have been sold for stock feed, and the board still has 362,000 tonnes under contract from the two support buying programmes it instituted last autumn.

Total stocks on farms at the end of January were 2,121,000 tonnes compared with 1,883,000 tonnes at the same time last year when there was an end-of-season surplus of 316,000 tonnes. Overall surplus this marketing year is estimated at 500,000 tonnes.

Consumption of potatoes is still increasing and climbing back to the levels normal before the 1976 drought sent prices rocketing and sales tumbling.

At present consumption is running at 96 kilos a head a year compared with 89 kilos last year and 100 kilos in the last normal season, 1974-75.

Producer prices now range between £40 and £90 a tonne for best quality. Retail rates are between 4p and 8p a pound.

Sugar loss compensation talks to start

BY OUR COMMODITIES STAFF

TALKS AIMED at securing compensation from the British Sugar Corporation for beet growers who lost an estimated £2m from frost damage will open in London next week.

The Corporation says it is prepared to consider claims from growers who fulfilled their contracts in delivering processable beet to the factories, but it is claimed that most of the beet delivered was either left in the ground too long or not stored in clamps correctly.

As a result the Corporation's beet processing factories in Kidderminster and Allscott were unable to continue operating.

It is estimated that more than 100,000 tonnes of beet—normally valued at £20 a tonne—rotted in fields or in clamps during the recent cold spell. The bulk of the losses were in the West Midlands where some 98,000 tonnes of beet were lost. Other losses were 4,000 tonnes in Yorkshire and 1,500 tonnes in East Anglia.

Loses in actual sugar production are calculated at around 13,000 tonnes, which at £250 a tonne retail means quite a sizeable loss in turnover for the Corporation.

However it compares with a total output of more than 1m tonnes achieved by the Corporation this year as a result of record plantings and an improvement in yields.

A Corporation spokesman said that the losses were regretted, but West Midland growers had taken the risk of leaving the beet in the ground until a late stage and a joint committee, including growers' representatives had decided beet deliveries were not processable.

Special tests had been made on farms, too, to save the cost of transporting unsuitable beet to the factories.

In Brussels yesterday the EEC sugar management committee authorised exports of 50,950 tonnes of white sugar, fixing the maximum export subsidy at 25.229 units of account a 100 kilos, up from 24.783ua maximum on the 54,500 tonnes approved last week.

In London the daily price for raw sugar was cut £1 to £104 a tonne, although futures prices improved. The August position closed at £114.15 a tonne, up £1.50.

Sydney futures default

By Our Commodities Editor

THE International Commodities Clearing House said yesterday it was confident that it would suffer no losses as a result of the default of a clearing member of the Sydney Futures Exchange.

A spokesman for the Clearing House, which is a subsidiary of the United Dominions Trust, confirmed that Booth Newman Pty. was unable to meet margin calls required. Accordingly, appropriate action had been taken by the ICCH branch office in Sydney to cover its financial position and it was unlikely to suffer any loss.

He added that the fact that the default of a clearing member had caused little disruption of the market demonstrated the strength of the system.

Sir James Hill, the UK-based independent textile company, is understood to have a shareholding of about 10 per cent in Booth Newman. But Sir James said yesterday that the effect on his company would be negligible. It was only a small investment in a limited liability company—"something of nothing."

In fact Sir James Hill reduced its stake in Booth Newman from the original company which was formed by wool buyers Booth Hill and Newman in Australia to trade on the Sydney Futures Exchange.

Soyabean crop estimate cut

THE U.S. Department of Agriculture has lopped 1.5m tonnes off its estimate of Brazilian soyabean output this year following a visit to the main growing areas by a team of experts.

The total crop is now expected to range between 10.5m and 11.5m tonnes, compared with 10m tonnes last year, Reuter said.

Because of the losses caused by bad weather, exports of beans are not expected to exceed the 1.1m tonnes currently authorised. Exports of oil and soyabean meal will be lower than first expected the USDA added.

Bean yields are estimated at 1,327 to 1,454 kilos a hectare compared with a 1,303 kilos average registered last year after the drought.

January rainfall in th growing areas in Rio Grande do Sul was between 75 and 60 per cent lower than in the same month last year.

SPANISH AGRICULTURE

Sour season for citrus exports

BY A CORRESPONDENT

AT THE halfway mark in the season for Spanish citrus exports, when the season as a whole is customarily assessed, it is agreed that this is one of the worst for years. Just about everything that could have gone wrong has done so.

Though insisting that in general Spanish citrus is superior to that of its Mediterranean rivals, the industry this year admits that both quality and quantity have suffered from such factors as rain, which prevented picking and led to over-maturity, and strikes.

So far, the volume of fruit exported has been about 10 per cent less than in the corresponding period of last season, and prices for Spanish fruit have declined slightly this year while those received for Moroccan, Israeli and Algerian citrus have risen.

Much soul-searching is going on. In addition to the usual clamour for more subsidies, the industry, once satisfied that its products would sell on quality alone, is asking itself whether it is losing out on organisation. "We must conscientiously examine things to see whether our future continues to lie in traditional assumptions," writes one commentator.

It is being admitted that the Spanish citrus trade lags behind that of competitors in terms of stability and service, and that these weaknesses are aggravated by speculation that is rife in the Spanish citrus market.

The point is highlighted by the performance of what is hailed as Spain's most important and efficient citrus co-operative, that of Algemesi in the Valencia region. Year after year this co-operative, without any special natural advantages, receives far more for its fruit than the national average.

This, it is said, is thanks to superiority in production and marketing techniques and — what is nowadays conceded to be a virtue in Spain's chief Mediterranean competitors — stability and continuity in the eyes of buyers.

It is argued that with help from the Government Algemesi's success could be extended to the rest of the industry. Spain suffers not so much from unreliability as such, but from the appearance of it. Competitors have not only performed well, but polished their image.

The transport strike in Britain has been another blow to Spanish citrus, forcing exporters to divert supplies to France at a discount. And there are still reverberations from last year's mercury scare when, after Israeli oranges were said to have been poisoned for political reasons, a suggestion appeared in a Belgian newspaper that similar contamination had been found in juice squeezed from one of Spain's most respected brands of citrus "Soraya."

For several weeks sales of Spanish oranges in Belgium fell to almost zero. "It may have been the work of a crank," said a newspaper recently, "but the industry must take it seriously or it could find itself confronting what amounts to a commercial horror weapon."

The virus disease trizteza continues to cost the industry an estimated £18m a year, and additional credits of £10m were recently granted to enable small producers to replant with resistant stocks.

The underlying grievance of the Spanish citrus industry remains the handicap it suffers through exclusion from the Common Market. The president of the Spanish Citrus Exporters' Federation complains that tariff discrimination against Spain has not eased in spite of appeals to the Government to seek relief.

Spain pays some £37m in EEC citrus duties each year. In this respect it is treated in the same way as "third" countries that have not applied for EEC membership or secured special arrangements with the Community. The Spaniards declare that the EEC levies three times as much duty against Spain as against Morocco, and 1½ times as much as against Israel.

Other problems are a 20 per cent rise in Spanish production costs in the past year, an effective devaluation of the peseta and the sheer volume of fruit from other Mediterranean countries pressing on markets that were previously Spain's prerogative.

Rubber pact demands prepared

BY OUR COMMODITIES STAFF

MEMBERS OF the Association of Natural Rubber Producers have warned that they will consider implementing their own buffer stock and supply control scheme if the next session of Unctad talks on a new world pact in Geneva does not bear fruit.

Representatives of the world's leading producing countries meeting on the island of Bali have also drawn up a secret list of minimum requirements they will be seeking from an international rubber agreement.

Producer officials said the new pact talks, which will begin late this month (March), will start from the compromise package of buffer stock, supply rationalisation, pricing and financial proposals put forward by producing country delegations at the last Geneva negotiating session in December.

The Bali resolution will be tabled openly only if progress in Geneva is not considered adequate, one official said. The resolution is signed by the chief delegates of Malaysia, Indonesia, Thailand, Sri Lanka and Singapore.

One of the producers' requirements is believed to be a "floor" price taking into account the social and economic needs of rubber growers, the officials said. Sumardi Resksoputtanto, the ANRPC secretary-general, had earlier described the floor price as the crucial element for producers

In Kuala Lumpur, meanwhile, the Malaysian Statistics Department announced that Peninsular Malaysian rubber production in December rose to 160,771 tonnes from 137,130 tonnes in November, but was still below the 164,353 tonnes produced in December 1977, reports Reuter.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Moved ahead strongly in hectic trading on the London Metal Exchange. After trading erratically in the morning, with forward metal moving between £1,021 and £1,014, the market advanced strongly in the afternoon in the wake of Comex, which moved up [illegible]

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,001.5, 1, three months £1,023, 22, 21, 20, 19, 18, 17, 16, 16, 16, 17, 18, 17.5, 18, 17. Cathodes, cash £994, 93.5, three months £1,009, 1,008. Kerb: Three months £1,018, 18.5, 18. Afternoon: Wirebars, three months £1,032, 31, 30, 29, 30, 29.5, 29, 28, 28.5, 30, 28, 29, 28, 27, 27.5, 27. Cathodes, three months £1,018. Kerb: Wirebars, three months £1,028, 27, 27.5, 28, 27, 26, 25, 26, 27, 27.5, 28, 29, 29.5, 30, 29.5, 29, 28.

TIN—Slightly easier. After opening at £7,250, reflecting the initial strength of copper, forward metal eased to £7,235 in the morning rings owing to [illegible]

Morning: Standard, cash £7,300, three months £7,250, 60, 70, 60, 40, 35. Kerb: Three months £7,240, 50. Afternoon: Standard, three months £7,270, 80, 70, 60, 65, 50, 40, 30, 20. Kerb: Three months £7,210, 7,200, 190, 180, 175, 180, 7,200.

LEAD—Firmer in line with copper, with forward material rising to a high of £514 prior to closing at £513.5 on the late kerb. Turnover: 8,325 tonnes.

Morning: Cash £548, 48.5, 48, three months £513, 12, 12.5, 12, 11.5, 11, 10.5. Kerb: Three months £511. Alter- [illegible]

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	546-7	+10.5	548-50	+9
3 months	510.5-1	+7.5	513-.5	+5.5
Sett'ment	547	+10.5	—	
U.S. Spot	—		42.4	

I.G. Index Limited 01-351 3466. Three month Copper 1024.2-1032.3
29 Lamont Road, London SW10 0HS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the smaller investor.

CORAL INDEX: Close 479-484

INSURANCE BASE RATES

† Property Growth	12%
† Vanbrugh Guaranteed	11.25%

†Address shown under Insurance and Property Bond Table.

COMPANY NOTICES

INTERNATIONAL WESTMINSTER BANK LIMITED

NOTICE TO HOLDERS OF US$ FLOATING RATE CAPITAL NOTES 1984

Copies of the Annual Report and Accounts of International Westminster Bank Limited for the year ended 31 December, 1978, may be inspected during usual business hours at the Registered Office, 41, Lothbury, London EC2P 2BP.

E. B. CULLEN, Secretary.

41, Lothbury, London EC2P 2BP.

NOTICE OF INTEREST PAYMENT SANDVIK AKTIEBOLAG 6¼% CONVERTIBLE BONDS Due March 15th, 1988

NOTICE IS HEREBY GIVEN to the coupons holders of the above mentioned issue that Coupon No. 2 will be payable on March 15, 1979, at the rate of U.S.$62.50 or DM141.30 subject to the terms and conditions endorsed on the Bond to which the coupon appertains.

For SANDVIK AKTIEBOLAG
Bank of America International S.A.
Luxembourg

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SILVER

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GRAINS

SUGAR

WOOL FUTURES

MEAT/VEGETABLES

SOYABEAN MEAL

RUBBER

PRICE CHANGES

In tonnes unless otherwise stated.

AMERICAN MARKETS

NEW YORK, Feb. 28.

Cocoa—March 154.15 (156.50), May 156.75 (158.75), July 158.20, Sept. 160.10, Dec. 162.25, March 163.60, May 164.30. Sales: 486.

Copper—March 91.35 (90.40), April [illegible]

Live Cattle—April 71.00-71.20 (69.92), June 70.25-70.15 (69.75), Aug. 68.55-68.70, Oct. 67.30-67.35, Dec. 68.60, Jan. 68.50 bid, Feb. 68.77-68.60, April 70.10 asked, June 71.45, Aug. 71.50. Sales: 29,888.

Soyabeans—U.S. No 2 Yellow Gulf-ports afl. $301. March $304.75, April $308, May $309, June-July-Aug. $311.50, Sept. $306, Oct. $283.25, Nov. $282.25, Dec. $286, Jan. $288.75, Feb. $293, March $294. Brazil Yellow FAQ unquoted. U.S./Brazil unquoted Lakes unquoted. Argentine May $300 sellers very quiet.

Soyameal—44 per cent protein, U.S. [illegible]

Sales at call nil.

● Commodity market coverage in these columns is being extended to include French sugar, cocoa, coffee, soyabean meal and wool market closing prices. More U.S. futures markets will also be covered including silver, live cattle, hogs, eggs, pork bellies and plywood from Chicago and orange juice and potatoes from New York.

EUROPEAN MARKETS

ROTTERDAM, Feb. 28.

PARIS, Feb. 28.

INDICES

FINANCIAL TIMES

Feb. 27	Feb. 26	M'nth ago	Year ago
267.55	268.07	261.97	224.86

(Base: July 1, 1952=100)

MOODY'S

Feb. 27	Feb. 26	M'nth ago	Year ago
1053.2	1050.5	1006.9	889.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 27	Feb. 26	Month ago	Year ago
Spot	384.45	384.82	377.01	350.45
F'tur's	381.54	383.26	372.07	330.75

(Average 1924-25-26=100)

REUTERS

Feb. 28	Feb. 27	M'nth ago	Year ago
165.13	1550.0	1510.8	1381.8

(Base: September 18, 1931=100)

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone Shelf cod £3.20-£4.00, codlings £2.50-£3.80; large haddock £5.20-£6.00, medium £4.40-£4.80, small £3.60-£4.40; large plaice £[illegible]-£3.00, medium £2.65-£3.10, best small £3.00-£3.90; large skinned dogfish £10.00, medium £9.00; large lemon soles £7.50, medium £6.80, saithe £1.70-£2.30.

★

HIDES—Leeds: Extremely strong. Second clear ox 31-35.5 kilos, 97.1p a kilo; 26-31.5 kilos, 113p; 22-25.5 kilos, 135.1p. Light cows, 129p a kilo.

Fresh upsurge falters but Gilts still close £1¾ higher while equities experience heaviest trade for 17-months

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb. 12	Feb. 22	Feb. 23	Mar. 6
Feb. 26	Mar. 8	Mar. 9	Mar. 20
Mar. 12	Mar. 22	Mar. 23	Apr. 3

* "New time" dealings may take place from 9.30 am two business days earlier.

The recommendation of the miners' leaders for acceptance of the National Coal Board's £72.5m pay offer underlined the diminishing prospect of a major crisis on the labour front and provided the base for another strong upsurge in stock markets yesterday. Selected high-coupon Government stocks, on an initial onslaught of fresh investment, were soon showing gains stretching to 4¼ points and within half an hour of the opening leading industrials extended Tuesday's sharp rise by a further index rise of 7.4 points.

The pace was too swift to last, however, and when holders of Gilt-edged securities succumbed to the temptation to take recently accrued large profits, the sector became extremely volatile. Gains were whittled away by some 2½ points before the reaction was halted following news that local government and ancillary worker members of the Transport and General Workers' Union had agreed to accept the latest wage offer.

The ensuing rally, usually of about ½, was short-lived and just prior to the official close of the trend was lower again, but in late office dealings the tone steadied and final gains extended to 1¾ points. Treasury 13¾ per cent 2000/03, one of the two scrips issued last Friday, settled around that much higher at £23½, which represents a premium of nearly 57 per cent on the issue price of £15.

Institutional interest increased noticeably in the early trade for a host of leading industrial shares, but in this area also the profits established over the last two days proved to be too much of a temptation and when demand faltered the reaction, aided by the mounting Middle East tension, was swift. Some constituents of the FT 30-share index closed barely higher on balance and some even registered small net losses.

The main body of secondary stocks participated in the activity with the emphasis on actual or potential situation issues. Illustrating the expanded trade, official markings rose to 7,329, the highest since September 19, 1977, but mirroring profit-taking the FT 30-share index closed only 2.2 better at 481.8, after 487.0 at the 10 a.m. calculation.

Final gains in British Funds ranged to 1¾ points among the high-coupon longs and to ½ in the shorts, the latter after having been a maximum of 1¼ points higher. Nonetheless, the FT Government Securities index rose for the eighth successive business day to end 0.66 up at 70.60 — its highest since last September, but still over 10 per cent down on its 1978-79 high of 78.58 recorded in January of last year.

Arbitrage offerings and a reasonable performance in sterling saw the Investment currency premium trade actively before finishing at 88¾ per cent for a fall of 2½. Yesterday's SE conversion factor was 0.6813 (0.6699).

For the third consecutive day, the Traded options market traded a record number of contracts, 1,866 deals were completed against the previous day's 1,865 and last wek's daily average of 936. Reflecting the activity in equities, Grand Metropolitan attracted 324 trades, while Commercial Union recorded 308.

Up 10 on Tuesday on speculative demand, Caledonian Holdings touched 145p before settling a net penny up at 142p following the offer of 150p per share from Comet Radiovision, 4 down at 98p.

Banks active

Active and firm conditions prevailed in the banking sector where early institutional buying prompted fresh early gains to 13 in the major clearers. Best levels however were not held as profit-taking developed but NatWest, after touching 340p in response to comment on the better-than-expected results, closed a net 3 better on balance at 330p. Midland, the last to report annual figures on March 9, ended a net 2 dearer at 390p, after 398p. Elsewhere, Grindlays, at 130p, retrieved 4 of the previous day's fall of 7 following second thoughts on the results. Mirroring the buoyant gilt-edged market, Discounts moved higher with Gerrard and National up 6 at 308p and Alexanders 5 to 265p. FNFC eased a shade to 7p in reaction to the chairman's cautious remarks at the annual meeting.

Having failed to match Commercial Union's impressive annual profits performance, General Accident reacted from an initial firm level of 20p to close unaltered at 212p. The C.U. edged forward a penny more to 155p, after 156p, and oyals, which report today, ended unaltered at 360p, after 368p.

Breweries and kindred issues encountered a strong demand although prices generally closed off the best. Distillers ran up to a 1978-79 peak of 227p, before closing a net 3 better at 223p.

Firm at the outset, leading Building descriptions fell back from best levels and sometimes displayed small losses on balance. Blue Circle finished 2 cheaper at 270p after early progress to 276p, and London Brick closed ½ off at 66½p, after 67½p. Elsewhere, Taylor Woodrow rallied 8 to 360p, after 363p; the new nil paid shares, in active trading, closed 7 up at 41p premium, after 45p premium. SGB continued firmly to 208p, up 5, while, in a thin market, William Whittingham put on 3 to 57p. Ferguson Industrial Holding's increased stake in the company prompted further speculative interest in Breedon and Cloud Hill Lime, which added 4 for a two-day gain of 8 to 138p, after 140p, but recently firm Tunnel B gave up 4 to 306p on profit-taking.

ICI touched 395p in early dealings before technical influences left the price a penny down on balance at 388p. Similarly, Fisons relapsed to unchanged at 315p, after 322p. Among other Chemicals, further demand was forthcoming for Plysu which firmed 7 for a two-day rise of 13 to 146p.

Burton easier

Profit-taking after the recent speculative surge left Burton ordinary 2 off at 253p, after 248p, and the A 5 down at 28p; the Warrants, on the other hand, hardened a penny more to 91p. Further investment buying lifted MFI Furniture 10 afresh to 260p and Ernest Jones (Jewellers) gained 6 to 185p, after 188p, following the annual report. Austin Reed A rose 6 to 94p.

Trading in the Electrical sector remained brisk but after an early flourish leading issues reacted and closed without much alteration on balance. Another good business developed in GEC, which closed unchanged at 346p, after 352p. EMI, however, encountered some nervous selling awaiting today's interim statemen and gave up 4 o 133p.

Engineering leaders boiled over after an early burst of buying enthusiasm and final quotations presented a mixed appearance. John Brown finished 10 to the good at 434p, after 440p, but GKN ended a shade cheaper at 236p, after 240p. Hawker, however, traded firmly at 214p, up 6. Secondary issues made another good showing, but buying interest appeared more selective. Gains of around 10 were recorded in Williams and James, 184p, Stothert and Pitt, 213p, ML Holdings, 160p, and British Aluminium, 945p. Bullough, an extremely thin market, moved up 26 to 215p following the annual report. Redman Heenan were good at 76p, up 7, on the proposed £2.2m rights issue and dividend forecast, while Metalrax continued to respond to the preliminary results with a further rise of 2 at 58p. Wolseley-Hughes were again afovured at 227p, up 5, along with Cronite, 4 to the good at 42p. Ratcliffe (Great Bridge) firmed 2 to 91p awaiting today's preliminary statement.

An active two-way trade developed in leading Foods which, for the most part, displayed small gains. Revived bid speculation lifted Linfood 6 to 153p, after 155p while, ahead of today's annual results, Associated Fisheries touched 46p before settling a net 3 higher at 44p. Robertson encountered profit-taking and eased 4 to 145p.

Grand Metropolitan, 2½ better at 132p, and Trust Houses Forte, 6 up at 278p, attracted a particularly brisk business, but Hotels and Caterers displayed small falls on profit-taking with the notable exception of Reo Stakis, which, on persistent bid rumours, added another 2½ to 56½p.

BOC disappoints

The miners' leaders decision to recommend acceptance of the pay offer helped to attract more institutional funds to the buoyant miscellaneous Industrial leaders. Although profit-taking reduced earlier rises by as much as 8, closing gains still ranged to 12. Glaxo ended that much better at 527p, after 530p, with sentiment still aided by a broker's circular and Metal Box also closed 12 up at 322p. Ahead of next Tuesday's preliminary results, Unilever added 8 more to 590p, after 598p. Rank Organisation new nil-paid shares were heavily traded and closed 2 cheaper at 30p premium, after 40p; the old eased 3 to 250p, after 260p. By way of contrast, BOC International declined 3 to 71p on the disappointing first-quarter figures. Elsewhere, suggestions that bid terms worth 115p per share from RFD may be announced today helped Lindsay and Williams jump 10 to 110p, after 114p, while similar improvements were seen in Copydex, 49p, and Ricardo, 345p. Hoskins and Horton put on 8 to 143p in a thin market and Carlton Industries rose 7 to 235p. George Ewer edged forward a penny to 39½p on the increased third-quarter profits. Change Wares declined 2 to 17p as profit-taking developed following the results

Persistent demand lifted Coral Leisure 6 for a two-day gain of 12 to 125p and Saga 5 for a two-day rise of 14 to 209p.

Dowty rose 6 to 276p following an announcement that the company has received aerospace orders worth £1.6m from Yugoslavia and Romania. Elsewhere in Motors, Lucas added 4 to 288p, after 291p, while Wilmot Breeden, 92p, recovered 1½ of Tuesday's fall of 6½ which emanated from the lack of news about developments in the Rockwell situation.

Early demand for Properties gave way to profit-taking, but prices steadied in late dealings and closed only marginally below best levels. Rumours that major shareholders Eagle Star may bid for the company when the English Property takeover battle is decided lifted Bernard Sunley 14 to 310p. Press comment highlighting bid possibilities took Centrovincial Estates up 12 to 117p, after 120p.

Oils lively

The Oil leaders followed the general trend, but profit-taking was easily absorbed and the final tone was fully firm. British Petroleum enjoyed a brisk trade and, despite faltering at one stage, closed at the day's best with a rise of ½ at £10½. Shell were also a lively market, closing only 4 cheaper on balance at 652p, after 646p.

Trusts were again well supported and closed with further widespread gains. Already firm at 142p, Challenge Corporation hardened further to 144p, up 6, following the interim statement.

In Textiles, Tricoville firmed 4 to 88p on the company's capitalisation proposals, while the reduced loss left British Enkalon a fraction harder at 23p. Nottingham Manufacturing, 128p, Dawson International, 105p, and Tern-Consulate, 65p all added around 4. Small and Tidmas a firm market recently, met selling in a very restricted market and dropped 20 to 60p.

Belated response to the good second half profits from Plantation Holdings lifted the shares 7 to 82p. Other Plantations remained firm and London Sumatra put on 12 to 252p.

Quiet Mines

The intense activity in British Funds and UK equities dampened interest in mining markets. The fall in the investment currency premium more than offset the strength of the bullion price — finally $4 higher at $251.625 per ounce—and left South African Golds, in sterling terms, lower on balance for the third consecutive day, although in dollar terms prices were a shade firmer.

Dealings resumed in Rand London which rose to 64p, compared with a pre-suspension price of 47p, following news that the company is to acquire two South African coal companies.

Rhodesians attracted a fair demand which included American buying. Mangula ended 5 higher at 62p, while Falcon added a like amount at 180p.

Australians, however, were broadly lower in line with overnight domestic markets and the easier premium. Modest London support at the lower levels, however, left prices a shade above the day's worst.

Exceptions to the general rule were Western Mining, which rose 3 to a 1978-79 high of 186p following favourable Press comment on the half-year results, and Paringa Mining and Exploration, which improved 3 to 25½p on news of the company's involvement in a diamond exploration venture with Aberfoyle and Ashton Mining.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
Rank Org. 'New'	Nil/pd.	19	30pm	− 2	40pm	7pm
Shell Transport...	25p	18	652	− 4	656	484
Grand Met.	50p	14	132	+ 2½	132	87
Barclays Bank ...	£1	13	417	+ 1	424	296
BP	£1	13	£10½	+ ½	£10½	720
ICI	£1	13	388	− 1	421	328
NatWest Bank ...	£1	13	330	+ 3	340	250
GEC	25p	12	346	—	349	233
Unilever	25p	12	590	+ 8	602	476
European Ferries	25p	11	140½	+ 2	143	99
BTR	25p	10	335	+ 1	354	181
Beecham	25p	10	643	—	726	581
Commercial Un....	25p	10	155	+ 1	164	132
Glaxo	50p	10	527	+12	648	458
Metal Box	£1	10	323	+12	368	272

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (203)

BRITISH FUNDS (6)
COMMONWLTH. & AFRICAN LOANS (1)
BANKS (8)
BEERS (6)
BUILDINGS (3)
CHEMICALS (1)
DRAPERY & STORES (11)
ELECTRICALS (8)
ENGINEERING (13)
FOODS (2)
HOTELS (3)
INDUSTRIALS (37)
INSURANCE (1)
LEISURE (4)
MOTORS (2)
NEWSPAPERS (4)
PAPER & PRINTING (3)
PROPERTY (51)
SHIPPING (2)
SHOES (1)
TEXTILES (3)
TOBACCOS (1)
TRUSTS (4)
OILS (5)
OVERSEAS TRADERS (1)
RUBBERS (3)
TEAS (2)
MINES (8)

NEW LOWS (1)

FOREIGN BONDS (1)
Japan 6pc '83-88

FINANCIAL TIMES STOCK INDICES

	Feb. 28	Feb. 27	Feb. 26	Feb. 23	Feb. 22	Feb. 21	A year ago
Government Secs.	70.60	69.94	69.05	67.80	66.93	66.31	74.59
Fixed Interest	70.94	69.90	69.25	67.69	67.58	67.22	77.46
Industrial	481.8	479.6	468.8	467.0	459.2	458.5	443.9
Gold Mines	176.8	178.0	181.0	183.4	181.6	180.5	182.1
Gold Mines(Ex-$ pm)	120.5	119.3	120.8	124.0	124.0	123.0	115.7
Ord. Div. Yield	5.87	5.91	6.05	6.08	6.17	6.20	6.06
Earnings, Yld % (full)	16.34	15.45	15.80	15.88	16.11	16.19	16.05
P/E Ratio (net)	8.45	8.39	8.20	8.16	8.04	8.00	7.79
Dealings marked	7,329	6,606	6,146	5,325	5,451	5,404	4,384
Equity turnover £m.	—	126.19	95.18	124.42	95.33	87.00	83.81
Equity bargains total	—	21,792	17,460	18,576	15,448	16,836	11,480

10 am 487.0. 11 am 486.3. Noon 483.5. 1 pm 481.3. 2 pm 481.4. 3 pm 482.8.
Latest Index 01-246 8026.
*Nil=8.21.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 [illegible]	64.54 [illegible]	127.4 [illegible]	49.18 [illegible]
Fixed Int	81.27 [illegible]	65.77 [illegible]	150.4 [illegible]	50.53 [illegible]
Ind. Ord.	535.5 [illegible]	433.4 [illegible]	549.2 [illegible]	49.4 [illegible]
Gold Mines	206.6 [illegible]	124.1 [illegible]	442.3 [illegible]	43.5 [illegible]
Gold Mines (Ex-$ pm)	132.3 [illegible]	90.3 [illegible]	337.1 [illegible]	54.3 [illegible]

S.E. ACTIVITY

	Feb. 28	Feb. 27
Daily		
Gilt Edged	198.7	201.1
Industrials	250.0	238.9
Speculative	50.9	41.6
Totals	166.8	160.4
5-d'y Av'r'ge		
Gilt Edged	207.5	204.1
Industrials	208.0	202.9
Speculative	44.5	45.4
Totals	140.6	135.1

MONTHLY AVERAGES OF STOCK INDICES

	Feb.	Jan.	Dec.	Nov.
Financial Times				
Government Securities	66.25	67.58	69.73	68.34
Fixed Interest	67.14	68.61	70.19	69.79
Industrial Ordinary	460.2	474.0	482.4	475.2
Gold Mines	178.1	150.6	134.8	132.6
Do. (Ex-$pm)	120.8	103.7	97.7	97.0
Dealings marked	5,296	4,061	3,537	4,444
F.T.—Actuaries				
Industrial Group	216.69	216.77	220.36	214.89
500 Share	243.91	242.68	245.15	239.23
Financial Group	170.99	171.11	169.93	162.17
All-Share (750)	225.09	233.62	224.40	218.53
Redeemable Debs.& Loans	52.11	54.54	55.04	55.42

	High	Low
Industrial Ordinary	481.8 (28th)	446.1 (12th)
All-Share	237.52 (28th)	218.89 (12th)

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	Jne. 12
Mar. 20	Apr. 2	Jne. 14	Jne. 26

For rate indications see end of Share Information Service

Calls were dealt in Spillers, Town and City, Capital and Counties, Ultramar, Lonrho, Premier Oil, Trafalgar House, Lofs, Burmah, Prince of Wales Hotels, John Folkes Hefo NV, P & O, Sedgwick Forbes, Mams, UK Property, Associated Fisheries, F. Miller (Textiles), New Equipment, EMI, Bambers, MFI, Berait Tin, Britannia Arrow, Brooke Bond, Grand Metropolitan, Letraset, British Land, Allied Breweries and Centrovincial Estates. Puts arranged included Pleasurama, NatWest Warrants, BP, Eurotherm, Racal and Associated Fisheries, while doubles were completed in Pleasurama, Serck, Plessey, UDT, Premier Oil, Lonrho and British Land.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	69	6	7
Corpns. Dom. and Foreign Bonds	37	1	28
Industrials	580	264	680
Financial and Prop.	277	43	166
Oils	18	10	12
Plantation	7	4	21
Mines	31	57	52
Recent Issues	9	2	18
Totals	1,028	387	1,004

APPOINTMENTS

Gerald Hill to join Acrow

Mr. Gerald Hill has been appointed deputy managing director—engineering at ACROW from April 1. He is at present director of overseas manufacturing of the BL truck and bus division. In his new post, Mr. Hill will have group responsibility for manufacturing, purchasing, industrial relations, research, design and development.

★

Mr. John Hazzledine has joined VICKERS, Michell Bearings, Newcastle upon Tyne, as works director. He was previously general manager of Howard Rotavator.

★

Mr. Ken Ellis will be joining ROBERT FLEMING AND CO as chief foreign exchange dealer on April 2.

★

Mr. C. R. E. Brooke has been appointed a director of LAZARD BROTHERS AND CO.

★

Sir Robert Clark, chief executive and deputy chairman of the Hill Samuel Group, has become chairman of LOWNDES-AJAX COMPUTER SERVICE, the group's computer service company.

★

Mr. Sidney Procter has been appointed an additional deputy group managing director of the NATIONAL AND COMMERCIAL BANKING GROUP from April 1. He will continue as chief executive of Williams and Glyn's Bank.

★

Mr. Peter W. Bennett, chairman of W. H. Smith and Son (Holdings), has been appointed a non-executive director of LLOYDS AND SCOTTISH.

★

Mr. Tom Busby, at present financial controller with Pye business communications, has been appointed controller and divisional director of BORG-WARNER'S transmission division. Mr. Jim Campbell has been elected divisional director of operations.

★

Mr. Jeremy Orme, a partner in Robson Rhodes, has been seconded to the Department of Transport for two years as an assistant secretary and Mr. Hugh Aldous has returned from secondment to that Department to continue in practice in Robson Rhodes.

★

Mr. Nick Flatcher has been appointed sales director of SPECTRA AUTOMOTIVE AND ENGINEERING PRODUCTS.

★

Mr. Clive Lamble has joined SIPHER DESIGNS (ELECTRONICS) to direct development of software engineering.

★

Mr. T. R. Parrish has retired from the Board of J. T. PARRISH.

★

Mr. Norman Silk has been appointed joint managing director of BLAKE'S.

★

Dr. J. Richard Hirst has been appointed works director of the West Bromwich works of VOGUE BATHROOMS and a director of GLYNWED BATHROOM AND KITCHEN PRODUCTS. Other Glynwed Bathroom and Kitchen Products appointments are Mr. William V. Drennan who becomes works director of Vogue Bathrooms at Bilston and Mr. George Partridge, divisional projects director. Both are directors of Glynwed Bathroom and Kitchen Products.

★

The Minister of Agriculture Fisheries and Food has appointed Mr. J. W. Greed to the APPLE AND PEAR DEVELOPMENT COUNCIL as a member representing the interests of growers.

★

Mr. Peter White has been appointed director of finance by GTE UNISTRUT in succession to Mr. Chris Boyle who will be taking up a new appointment with the GTE parent company in America.

★

Mr. L. J. Cooke has been appointed managing director of the Palitoy division of the GENERAL MILLS UK TOY GROUP.

★

Mr. Joseph Claessens, has become SABENA'S new manager in the UK in succession to Mr. Guy Roberty who goes to Stockholm as general manager for Scandinavia.

Mr. Douglas E. Reeve has been appointed a vice president by CITIBANK. He is head of the treasury group's management office in the UK.

★

Mr. Martin G. Sack has joined CAI (COMPUTER AUTOMATION) as managing director. He succeeds Mr. Geoffrey Salkeld, who becomes deputy chairman in addition to his position as vice-president, European operations, for Computer Automation Inc. Mr. Christopher Birks has been appointed European financial controller.

★

Mr. T. R. Earnshaw, a non-executive director of TBA INDUSTRIAL PRODUCTS, a subsidiary of Turner and Newall, has retired. He remains export united adviser to the British Overseas Trade Board and a member of its advisory council.

★

Mr. Geoffrey Rosser has been appointed administration director of MERCK SHARP AND DOHME. Formerly operations director of the company, Mr. Rosser's responsibilities have been increased to include personnel and animal health affairs in addition to operations

★

The Secretary of State for Employment, has appointed Mr. John Monks as a member of the Council of the ADVISORY CONCILIATION AND ARBITRATION SERVICE. He replaces the late Sir George Smith.

★

Mr. John E. Coker has been appointed to the Board of FUSIBLE INTERLININGS, a subsidiary of Whitecroft.

★

Mr. Lloyd N. Cutler, a partner of Wilmer Cutler and Pickering, has been elected to the Board of CYANAMID.

★

The following is a correction of a typographical error in yesterday's appointments by TURNER MANUFACTURING COMPANY. Mr. C. G. Dummer (director of planning, Dana-Europe) has been made chairman of H. and P-Baelz and Mr. R. A. Joseph continues as managing director.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the F.T. Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines F.T.	+25.79
Mining Finance	+23.02
Property	+15.97
Overseas Traders	+15.02
Banks	+13.89
Oils	+13.37
Discount Houses	+10.19
Food Retailing	+10.14
Entertainment and Catering	+10.10
Wines and Spirits	+ 9.98
Electronics, Radio and TV	+ 9.69
Tobaccos	+ 9.53
Financial Group	+ 8.17
Chemicals	+ 7.35
All-Share Index	+ 7.06
Stores	+ 6.99
Electricals	+ 6.81
500 Share Index	+ 6.40
Consumer Goods (Non-durable) Group	+ 6.10
Newspapers and Publishing	+ 6.07
Other Groups	+ 5.64
Office Equipment	+ 5.62
Packaging and Paper	+ 5.59
Industrial Group	+ 5.12
Consumer Goods (Durable) Group	+ 5.08
Merchant Banks	+ 4.68
Building Materials	+ 4.62
Investment Trusts	+ 4.26
Food Manufacturing	+ 4.08
Engineering Contractors	+ 3.84
Pharmaceutical Products	+ 3.76
Hire Purchase	+ 3.67
Shipping	+ 3.05
Capital Goods Group	+ 2.98
Insurance (Composite)	+ 2.77
Toys and Games	+ 1.99
Metal and Metal Forming	+ 1.71
Breweries	+ 0.61
Insurance (Life)	− 0.02
Mechanical Engineering	− 0.45
Contracting and Construction	− 0.52
Insurance Brokers	− 0.64
Motors and Distributors	− 1.35
Textiles	− 1.43
Household Goods	− 3.44

† Percentage changes based on Tuesday, February 27, 1979 indices.

هكذا من الأصل

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct Closing offer	Oct Vol.	Equity close
BP	900	118	8	142	—	167	—	1005p
BP	950	71	[illegible]	100	—	125	—	"
BP	1000	31	18	64	10	90	1	"
Com. Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals			[illegible]		[illegible]		[illegible]	
		May		August		November		
BOC Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	71p
BOC Intl.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals			[illegible]		[illegible]		[illegible]	

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P.E. Ratio
65	F.P.	[illegible]	[illegible]	[illegible]	Caledonian Hldgs.	142	+1	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	M.Y. Dart Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
95	F.P.	—	104	97	Sedgwick F.New10p	104	+1	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price	Amount paid up	Latest Renunc. date	1978/79 High	1978/79 Low	Stock	Closing Price	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Assoc. Dairies 9¼% Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Chepstow Race's 8% Cnv. Uns. Ln. 1988	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Findlay 8% Cnv. Cum. Red. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Manchester Water Co. 8% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rington Read 9½% Cnv. Cum. Red. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Shaw Carpets 10% 2nd Cum. Pref. £1	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p:	Amount paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p	+ or −
125	[illegible]	[illegible]	[illegible]	[illegible]	Baker Perkins	[illegible]	[illegible]
C$21½	[illegible]	[illegible]	[illegible]	[illegible]	Bank of Nova Scotia	[illegible]	[illegible]
60	[illegible]	[illegible]	[illegible]	[illegible]	Buroo Dean	[illegible]	[illegible]
220	[illegible]	[illegible]	[illegible]	[illegible]	Haslemere Estates	[illegible]	[illegible]
60	[illegible]	[illegible]	[illegible]	[illegible]	Hawkins & Tipson	[illegible]	[illegible]
67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
58	[illegible]	[illegible]	[illegible]	[illegible]	Montfort	[illegible]	[illegible]
225	[illegible]	[illegible]	[illegible]	[illegible]	Rank Org.	[illegible]	[illegible]
27	[illegible]	[illegible]	[illegible]	[illegible]	Sekers Intl.	[illegible]	[illegible]
10	[illegible]	[illegible]	[illegible]	[illegible]	Suter Electrical Defd.	[illegible]	[illegible]
18	[illegible]	[illegible]	[illegible]	[illegible]	Swan Ryan Intl.	[illegible]	[illegible]
315	[illegible]	[illegible]	[illegible]	[illegible]	Taylor Woodrow	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Feb. 28, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., Feb. 27 Index No.	Mon., Feb. 26 Index No.	Fri., Feb. 23 Index No.	Thur., Feb. 22 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (172)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (73)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 CONSUMER GOODS (DURABLE) (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 LL Electronics, Radio, TV (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (170)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (40)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (115)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (111)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	237.52	+0.8	—	5.44	—	235.76	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Wed., Feb. 28	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	104.62	+0.13	—	1.87
2 5-15 years	114.21	+1.34	—	1.38
3 Over 15 years	118.30	+1.43	—	2.09
4 Irredeemables	130.69	+1.23	—	[illegible]
5 All stocks	111.86	+0.88	—	1.71

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.		Wed., Feb. 28	Tues., Feb. 27	Year ago (approx.)
1 Low Coupons	5 years	9.48	9.57	7.83
2	15 years	11.14	11.27	10.32
3	25 years	11.61	11.77	10.54
4 Medium Coupons	5 years	12.07	12.24	9.38
5	15 years	12.49	12.66	11.13
6	25 years	12.58	12.64	11.29
7 High Coupons	5 years	12.32	12.34	10.53
8	15 years	12.96	13.05	11.85
9	25 years	13.07	13.15	12.07
10 Irredeemables		11.28	11.42	10.36

	Wed., Feb. 28 Index No.	Wed., Feb. 28 Yield %	Tues. 27	Mon. 26	Fri. 23	Thur. 22	Wed. 21	Tues. 20	Mon. 19	Year ago (approx.)
15 20-yr. Red. Deb & Loans (15)	57.57	14.09	52.07	51.97	51.61	51.53	51.38	51.37	51.26	60.77
16 Investment Trust Prefs. (15)	49.50	14.21	49.25	49.35	48.85	48.68	48.72	48.31	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	69.58	13.61	69.25	68.30	68.37	68.27	68.28	68.50	67.78	77.03

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Inl. Tst.	102.2	107.6	+0.8	3.27
Abbey Capital	36.2	38.5	+0.4	4.52
Abbey Income	42.4	45.1	+0.6	6.46
Abbey Inv. Tst. Fd.	36.9	39.3	+0.5	4.69
Abbey Gen. Tst.	48.6	51.7	+0.7	4.93
Equitas Prog. Tst.	70.2	74.1	+0.3	4.56

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st.	71.0	76.0	+1.2	5.47
Brit. Inds. Fund	68.4	73.2	+1.1	5.33
Grth. & Inc.	38.9	47.4	+0.6	5.29
Elect. & Ind. Dev.	37.5	40.1	+0.6	4.49
Allied Capital	74.8	80.0	+1.0	4.55
Hambro Fund	114.6	122.8	+1.8	5.10
Hambro Acc. Fd.	131.5	140.7	+1.6	4.66
Income Funds				
High Yield Fd.	74.7	79.9	+1.5	8.14
High Income	68.6	73.4	-0.9	7.18
A. H. Eq. Inc.	40.7	43.5	+0.6	7.09
International Funds				
International	26.4	28.3	-0.4	2.40
Pacific Fund	44.0	47.1		1.89
Secs. Of America	53.7	57.5	-1.6	2.00
Specialist Funds				
Smaller Co.'s Fd.	39.6	42.4	+0.8	4.48
2nd Smlr. Co's Fd.	52.6	56.1	+1.0	4.44
Recovery Sits.	104.1	111.4	+1.5	4.94
Met. Min. & C'dty.	46.1	49.3	+0.3	4.65
Overseas Earnings	62.2	66.6	+0.9	4.35
Exempt Funds				
Far East Exempt	46.8	48.8	+0.5	2.05
Smaller Co. Exempt	65.4	68.8	+1.0	4.70
U.S.A. Exempt	95.8	99.8	-2.5	2.20

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	54.1	58.1	+2.3	4.78

[illegible]

Friends' Provdt. Unit Tst. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	46.8	50.0	+1.2	4.36
Do. Accum.	61.7	65.9	+1.5	4.36

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Feb. 15	101.1	103.2		4.84
Gross Income Feb. 15	74.5	76.6		9.40
High Yield Feb. 15	86.4	87.5		9.03

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	93.7	99.6		3.00
Do. Acc.	115.0	122.3		3.00
G.T. Inc. Fd. Un.	168.5	179.2	-0.2	8.30
G.T. U.S. & Gen.	125.4	133.4		3.10
G.T. Japan & Gen.	89.1	94.0		1.60
♦Gt. Pens. Ex. Fd.	163.0	171.1		3.70
G.T. Int'l. Fund	146.5	155.8	-1.7	2.00
G.T. Four Yds. Fd.	54.9	58.4		8.60
G.T. Far East & Gen.	45.5	48.9		2.00

G. & A. Trust (a)(g)
5 Rayleigh Road, Brentwood (0277) 227300

G. & A.	35.5	37.9	+0.6	4.85

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-283 3531

American Tst.	24.6	26.5	-1.0	0.10
British Tst. (Acc.)	59.6	64.1	+0.6	3.88
Commodity Share	173.4	186.5	+1.1	3.58
Extra Income Tst.	25.9	27.8	+0.4	8.22
Far East Trust	35.9	38.6	+0.2	0.25
High Income Tst.	61.3	65.9	+0.8	9.22
Income Fund	78.2	84.1	+1.2	4.55
Ins. Agencies	14.88	15.70	+0.05	3.51
Intl. Exempt Fd.	94.7	101.8	+0.7	6.61
Intl. Tst. (Acc.)	32.8	34.2	-0.1	0.58

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

[illegible]

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4. 01-623 1050

Minster Feb. 26	37.5	39.5		6.38
Exempt Feb. 28	104.9	108.9	+3.7	5.14

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-930 7333

MLA Units	49.8	52.4		3.63

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	81.5	86.8		3.44

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15, Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	53.3	56.8	+1.4	6.47
Mutual Inc. Tst.	74.5	80.0	+2.4	7.25
Mutual Blue Chip	47.0	51.0	+0.1	6.39
Mutual High Yld.	58.8	63.0	+2.2	8.57

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 9151

Income Feb. 14	147.0	152.4		6.59
(Accum. Units)	204.6	212.2		6.59
Capt. Feb. 14	128.8	133.6		4.74
(Accum. Units)	157.2	163.0		4.74

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth. Un. Tst.	50.1	53.4		4.80
(Accum. Units)*	62.4	66.4		4.80
NPI O'seas. Trust	135.4	143.9		2.20
(Accum. Units)**	146.5	155.1		2.20

**Prices on Feb. 22. Next dealing March 29.
*Prices on Feb. 28. Next dealing March 14.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060.

Capital (Accum.)	74.5	80.1	+0.3	4.38
Extra Inc.	67.8	72.9	+1.1	8.14
Financial	36.3	39.0	+0.3	5.14
Growth Inv.	91.2	98.0	+0.1	4.89
Income	36.6	39.3	+1.3	6.99
Portfolio Inv. Fd.	73.7	77.1	+1.1	5.76
Universal Fd. (d)	56.0	60.2	-1.3	2.38

NEL Trust Managers Ltd.♥ (a)(g)

[illegible]

INSURANCE AND PROPERTY BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Jardine S.E.A.	SUS17.37			1.90
Jardine Flem. Int.	SHK12.03			—
Intl. Pac. Secs. (Inc.)	HK$13.34			—
Do. (Accum.)	HK$13.53			—

NAV Feb. 15. *Equivalent $US85.17. Next sub. day February 28.

10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$US16.20			—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	111.7	112.8		—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

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FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	22	......	—	—
41	33	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed.....	98	......	—	13.10

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PROPERTY

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INVESTMENT TRUSTS—Cont.

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MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Yld Gr's
15	9	Acmex	14	......	—	—	—
171	64	Bougainville 50 Toea	162	−2	Q15c	1.4	5.9
140	63	BH South 50c	138	−2	—	—	—
820	150	Central Pacific	425	......	—	—	—
336	148	Conzinc Riotinto 50c.	304	−4	¶Q10c	ϕ	1.9
32	19	Cultus Pacific N.L.	32	......	—	—	—
27	9½	Endeavour 20c	19	......	—	—	—
92	45	G.M. Kalgoorlie $1	92	......	—	—	—
68	18	Haoma Gold N.L.	35	......	—	—	—
167	81	Hamptn Areas 5p.	152	−6	♦t3.55	2.0	3.5
44	10	Metals Ex. 50c	43½	+1½	—	—	—
275	125	M.I.M. Hldgs. 50c	269	+1	†Q9c	1.7	1.9
22	10	Minefields Expl.	15	......	—	—	—
74	10	Mount Lyell 25c	66	−2	—	—	—
43¼	11¾	Newmetal 20c	22	......	—	—	—
143	79	North B. Hill 50c	132	−2	Q8c	1.3	3.4
22	8½	Nth. Kalgurli	20½	−½	—	—	—
50	12	Nth. West Mining	35	......	—	—	—
178	115	Oakbridge $A1	123	......	Q12c	1.9	5.5
42	10	Otter N. L.	31	......	—	—	—
121	30	Pacific Copper	108	−10	—	—	—
£15½	725	Pancont'l 25c	975	−25	—	—	—
40	12	Paringa M&Ex. 5p	25½	+3	—	—	—
570	310	Peko-Wallsend 50c.	476	−6	Q15c	3.3	1.8
300	50	Southern Pacific	175	−2	—	—	—
186	84	Westn. Mining 50c.	186	+3	†Q3c	0.7	0.9
11	7	Westmex	11	......	—	—	—
100	35	Whim Creek 20c	60	−5	—	—	—

TINS

High	Low	Stock	Price	+ or —	Div. Net	C'vr	Yld Gr's
30	23	Amal. Nigeria	30	+1	2.81	1.3	14.0
435	240	Ayer Hitam $M1	390	+5	Q300c	0.5	16.5
60	45	Beralt Tin	60	+4	4.0	ϕ	10.0
305	190	Berjuntai $M1	250	......	†Q110c	1.0	10.4
185	111	Geevor	155	......	H5.57	5.8	5.4
11	8½	Gold & Base 12½p	9	......	—	—	—
350	220	Gopeng Cons.	320	......	18.0	1.4	8.4
340	130	Hongkong	340	......	12.5	ϕ	5.5
93	64	Idris 10p	68	......	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting $M0.50	75	......	†Q12.5c	2.1	3.6
340	133	Killinghall $M1	340	+20	—	—	—
470	280	Malay Dredging $M1	430	......	Q175c	0.7	8.7
78	40	ΔPahang	44	......	—	—	—
78	50	Pengkalen 10p	73	+3	4.5	ϕ	9.2
270	165	Petaling $M1	230	......	Q120c	1.3	11.2
87	49	Saint Piran	84	+1	†2.03	6.5	3.6
70	47	South Crofty 10p	57	......	†4.19	2.0	11.0
245	140	South Kinta $M0.50	175	......	†sQ145c	0.6	17.8
370	230	Sthn Malayan $M1	360	+10	Q190c	1.0	11.3
245	134	Sungei Besi $M1	240	......	mQ65c	5.3	5.8
85	55	Supreme Corp. $M1	73	......	ZQ10c	—	2.9
105	84	Tanjong 15p	100	......	6.60	0.8	9.8
270	148	Tronoh $M1	245	+5	‡Q88c	1.6	‡

COPPER

High	Low	Stock	Price	+ or —	Div. Net	C'vr	Yld Gr's
104	54	Messina R0.50	94	−3	—	—	—

MISCELLANEOUS

High	Low	Stock	Price	+ or —	Div. Net	C'vr	Yld Gr's
74	35	Barymin	66	−2	—	—	—
17	9	Burma Mines 17½p	11	......	—	—	—
340	165	Cons. Murch. 10c	340	+5	—	—	—
465	245	Northgate C$1	380	−10	—	—	—
299	164	R.T.Z.	296	+2	9.5	2.8	4.8
90	30	Sabina Inds. C$1	57	−3	—	—	—
£12	687	Tara Expln. $1	831	−12	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or —	Div. Net	C'vr	Yld Gr's
$75¼	$30¼	Buffels R1	$12⅝	+¼	Q190c	ϕ	17.3
$11¼	830c	East Drie R1	$10⅝	+¼	Q115c	ϕ	12.5
585c	330c	East Rand Prp. R1	420c	+10	Q10c	—	—
$28⅝	$16½	F.S. Geduld 50c	$23⅛	......	Q315c	2.4	15.7
$15⅛	975c	Pres. Brand 50c	$13⅛	+¼	Q150c	3.2	12.9
$13⅝	900c	St. Helena R1	$13⅛	+¼	Q190c	1.4	16.6
550c	313c	Stilfontein 50c	545c	+10	Q66c	2.3	14.0
$23⅞	$16¼	Vaal Reefs 50c	$23⅛	+½	Q280c	ϕ	14.0
$37	$25	West Drie R1	$31¼	+¼	†Q385c	1.7	14.0
$31¼	$19	West Hldgs. 50c	$28⅛	+½	Q415c	1.4	17.0
$13	895c	Western Deep R2	$11⅛	+¼	Q147½c	2.4	14.9

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ● Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ‡ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or —
Albany Inv. 20p	26	......
Ash Spinning	106	......
Bertam	20	......
Bdg'wtr. Est. 50p	347	+2
Clover Croft	28	......
Craig & Rose £1	710	......
Dyson (R. A.) A	36	......
Ellis & McHdy	69	......
Evered	26	......
Fife Forge	52	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	125	......
Higsons Brew	73	......
Holt (Jos) 25p	260	......
I.O.M. Stm. £1	290	......
Pearce (C. H.)	200	......
Peel Mills	25	......
Sheffield Brick	55	......
Sheff. Refrshmt	70	......
Sindall (Wm.)	120	......

IRISH

Stock	Price	+ or —
Conv. 9% '80/82	£91½	+1
Alliance Gas	111	+4
Arnott	400	......
Carroll (P.J.)	108	+6
Clondalkin	94	−5
Concrete Prods.	135	......
Heiton (Hldgs.)	55	−4
Ins. Corp.	170	......
Irish Ropes	100	
Jacob	50	......
T.M.G.	195	......
Unidare	81½xd	......

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3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	20	Unilever	35
BOC Intl.	6	"Imps"	6	U.D.T.	4
B.S.R.	8	I.C.L.	40	Utd. Drapery	7½
Babcock	11	Inveresk	7	Vickers	15
Barclays Bank	25	KCA	3	Woolworths	5
Beecham	32	Ladbroke	14	**Property**	
Blue Circle	18	Legal & Gen.	14	Brit. Land	3¼
Boots	15	Lex Service	7	Cap. Counties	4½
Bowaters	14	Lloyds Bank	22	E.P.	3½
B.A.T.	24	"Lofs"	4	Intreuropean	5
Brown (J.)	33	London Brick	6	Land Secs.	16
Burton 'A'	16	Lonrho	5	MEPC	12
Cadburys	5	Lucas Inds.	25	Peachey	8
Courtaulds	10	"Mams"	12	Samuel Props.	9
Debenhams	8	Mrks. & Spncr	7	Town & City	1¼
Distillers	15	Midland Bank	25	**Oils**	
Dunlop	5	N.E.I.	12	Brit. Petroleum	45
Eagle Star	10	Nat. West. Bank	22	Burmah Oil	8
E.M.I.	14	Do. Warrants	10	Charterhall	2½
Gen. Accident	17	P & O Dfd.	7	Shell	28
Gen. Electric	18	Plessey	8	Ultramar	16
Glaxo	40	R.H.M.	5	**Mines**	
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G.U.S. 'A'	20	Reed Intnl.	12	Cons. Gold	12
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January strikes at five year high

By Philip Bassett, Labour Staff

THE NUMBER of workers involved in strikes in January was the highest since May, 1968. And the number of working days lost through strikes was the highest since February, 1974, the time of the miners' dispute which played a major part in bringing down Mr. Heath's Conservative Government.

The provisional figures for January published by the Department of Employment yesterday are the first official indicators of the effect of the outbreak of industrial disputes this winter.

For 1978, the provisional total of working days lost through strikes was 9,306,000—lower than both the figure for 1977 and the annual average of the past ten years.

However, 2,585,000 working days were lost in January through strikes in progress. The figures for February 1974 was 4,085,000 days lost.

A total of 1,449,000 workers were involved in strikes in progress throughout the month, but 1,430,000 of them were involved in strikes that began in January.

The figures are the highest since May 1968 when a one-day national pay strike by engineering industry workers led to a total of 1,589,000 taking action during that month. This raised the cumulative total for the month to 1,607,000.

Road haulage

The department pointed out yesterday that the January figures were subject to revision, since some stoppages continued until nearly the end of the month, or into February.

The department lists the main stoppages which contributed to the total. The official road haulage dispute involved according to the department about 56,000 workers, although the number does not include those laid off because of the strike, which the department estimates reached 235,000 just before the end of January. Subsequently it declined rapidly.

The other main disputes listed include the action by local authority and Health Service manual workers which continues, the four one-day national rail strikes by about 20,500 railway workers, strikes by 2,200 petrol tanker drivers, 3,000 water and sewage workers, 7,500 provincial newspaper journalists, 2,500 social workers and 4,000 North Sea oil workers.

Wage rises 'put exports at risk,' Page 4

MPs seeking debate over Treasury leak

BY HAZEL DUFFY AND ELINOR GOODMAN

A NUMBER of major industrial projects sponsored by the Government, including aircraft and aero-engine projects, have been strongly criticised by the Treasury on the grounds that they will lead to heavy losses and damage that economy.

The Treasury's doubts were revealed in an internal memorandum leaked in the Guardian newspaper yesterday and are the subject of a continuing exchange of letters between officials in the Treasury and the departments concerned.

The leaking of the document sparked a political row as the Government ordered a top-level inquiry, to be handed by Sir Ian Bancroft, head of the Home Civil Service. He has been asked to look into how the document — and a copy of a letter written by Sir Douglas Wass, Permanent Secretary to the Treasury, to Sir Peter Carey, Permanent Secretary to the Department of Industry — was made public.

Pressure was growing last night for the issue to be debated by MPs and Sir Geoffrey Howe, the Shadow Chancellor, accused the Government of buying votes at the risk of creating problems for the next Conservative administration.

The document, detailing seven job-saving projects involving the State in losses of up to £800m, was written last year. Two of the projects outlined have since been cancelled, but the Treasury is now questioning new projects which are in the process of being given Government approval.

Defended

The Chancellor, speaking on BBC radio last night, defended the projects mentioned in the report. They include the Government's decision to rejoin the Airbus Industrie consortium, the sanctioning of the HS 146 feder aircraft project, the development of the new version of the Rols-Royce RB-211 engine, and the Ministry of Defence's purchase of the Milan Missile, built under licence by British Aerospace. Mr. Healey said all these projects had ben discussed in Cabinet and decisions taken only after examining all the implications.

The Government was plainly embarrassed by the leak, and Downing Street was at pains to emphasise that the document was only a draft sent to other departments for comments, and that it had not been seen by Ministers.

Ministers took the view that the document could not be judged in isolation, since it only presented half the story. It was being stressed that the Treasury's exercise was an arithmetical one, not designed to take account of the wider implications of not spending the money.

The projects were also defended by the organisation in receipt of Government funding. Rolls-Royce said that its Dash 535 version of the RB-211, which would cost £250m to develop, is expected to earn £1.5bn in sales by 1993, with another £3.5bn in sales of engines and spares over the 20 years or more life of the engine.

Brtish Aerospace argued that both the European Airbus project and the 146 programme are at the beginning of ther development lives, so it is impossible to state categorically that they would lose money.

The two projects which never came to fruition were a proposal by Anglesey Aluminium for the CEGB to provide cheap power, and a second stage of the Polish ships order, which would have provided six vessels, but which was not concluded because the dollar-financing part of the deal got out of hand due to the dollar's decline.

Treasury spending figures challenged

By Peter Riddell, Economics Correspondent

GOVERNMENT estimates of the possible level of public sector borrowing in the 1979-1980 financial year have been challenged as too pessimistic by several leading private sector economists.

In its Budget submissions, the Confederation of British Industry estimates borrowing by the public sector at around £8¾bn in 1979-80 and the London Business School forecasts a figure of about £9.3bn in its major new review published this morning.

In contrast, Treasury estimates of borrowing of £10bn to £10.5bn, unless action is taken, are believed to be circulating in Whitehall.

This is in line with the warning by Mr. Denis Healey, the Chancellor, in the House of Commons a month ago that borrowing might rise by nearly £1.5bn above the previous estimate of £8.5bn for 1979-80 on the hypothetical assumption of a 15 per cent rise in average earnings in the current round. The CBI and Business School assume a 12 to 13 per cent rise in earnings in 1978-79.

This difference is important since the Government has effectively pledged itself to keeping borrowing below £8.5bn in 1979-80, and the projected excess on unchanged policies indicates the gap to be bridged in the Budget through tax increases or public spending cuts.

The arithmetic is not precise since, apart from the usual estimating error of £2bn to £3bn, the Treasury may now be trimming down its figure slightly. This could be because of a lower expected earnings outturn and because of a concealed squeeze on the volume of spending through cash limit controls.

Even after allowing for these points there is still an obvious gap between Treasury and private sector calculations.

A sceptical view among some market observers is that the Treasury is not necessarily unhappy with high borrowing estimates at this stage so the Cabinet may be convinced of the need for a tough Budget and to present an eventual £8.5bn projection as a source of reassurance for the markets.

Details, Page 8

THE LEX COLUMN

Voting "Yes" to gilt-edged

Index rose 2.2 to 481.8

Until a couple of weeks ago the City was keenly interested in the implications of today's Scottish referendum, but there have been much more exciting distractions nearer home in the intervening period. Moreover the latest indications are that the result — when it appears some time tomorrow — will be an inconclusive Yes vote which will not in itself shed much light on the Government's chances of clinging on to power until the autumn.

Whether the Government will seek to do further deals with the Scottish Nationalists may not emerge for a little while. But meantime the Government has successfully done a deal with the City through its erratic exercise in interest rate manipulation. The official funding requirements for the next few months have been completed, the City has been softened up for a pre-Election Budget that will fail to answer the basic questions, and it only remains to be decided whether MLR will be cut back today or next week, when the authorities will have had their first glimpse of the February banking figures.

There were some signs that the securities markets were boiling over yesterday, but gilt-edged still showed sizeable net gains on the day. The F.T.-Actuaries All-Share Index has advanced to within 2 per cent of the all-time high. Yet according to the new economic forecast from the London Business School industrial company profits net of stock appreciation, will stagnate for the next two years.

General Accident

General Accident's 1978 profits are up from £70.2m to £90.1m pre-tax. But—like the rest of the composite insurance sector—it will be hard pressed to produce anything but very modest profits growth in 1979. It has been clear for some time that the U.S. is close to the peak of the underwriting cycle. And more recently, the bad weather in the UK has put paid to hopes that very big rate increases will swing home-owners business into the black after a tough time in 1978.

UK weather claims knocked £3m out of GA's first-quarter profits in 1978, a figure which could double this time around. In the U.S., the group is less gloomy than some about the prospects for 1979. But rate increases on motor insurance across the U.S. as a whole are now running well below the rate of inflation, and this class accounts for about two-fifths of GA's business in the U.S. So its operating ratio (97.4 per cent in 1978) seems almost bound to deteriorate a little from now on.

However, investment income is still moving ahead strongly, following an underlying gain of nearly 22 per cent last year. And although profits growth may trail behind the rest of the corporate sector over the next couple of years, the same need not be true of dividends. The yield of 8½ per cent at 212p is covered four times.

Hong Kong

The Hong Kong budget is normally the ultimate in laissez-faire, while interest rates are determined by the banks with only a little persuasion from the Government. But in yesterday's budget the colony's Financial Secretary, Mr. Philip Haddon-Cave, who has been expressing concern about the overheating of the economy for some months, came up with an elegant means of restraining bank lending and allowing the Government to put direct pressure on interest rates.

From now on, short-term deposits placed with banks by the Government's Exchange fund will have to be matched 100 per cent, rather than 25 per cent, by liquid assets. The Fund's deposits are HK$8bn, and growing, so the banks could be forced to find an extra HK$4.5bn.

As loan demand has been outstripping deposit growth and bank lending as a whole is stretched near the limits of prudence, the threat that the Government might hold substantial short-term deposits should be enough to make the banks a good deal more conservative in their lending. They are also likely to bid up for funds: higher interest rates may enable the depreciation of the HK dollar to be kept fairly small this year despite the large current account deficit.

The budget confirms suspicions that the traditional Hong Kong preference for correcting trade imbalances through the exchange rate alone is being superseded by a more vigorous interest rate policy. This will be unhelpful for the stock market, although the lack of harsh fiscal measures in the budget may give it some encouragement.

BOC International

The hostile Price Commission report on BOC International likely to emerge today will only have modest implications for what is now very much a world-wide group, but it will not help BOC to achieve its planned profits recovery this year. After three months pre-tax profits have advanced from £10.8m to £14.3m, yet some £3m of this improvement reflects the absence of the UK strike in late 1977, and it is worth remembering that the same quarter two years ago produced £16.6m.

Still, an important factor is that a policy of revaluing assets at replacement cost, designed primarily to improve the balance sheet ratios, is impinging adversely upon the profit and loss account: the first quarter depreciation charge has jumped from £8.6m to £19.9m in two years, a rise that also reflects the consolidation of Airco. Whether BOC can reach the hoped for £80m pre-tax this year will depend on the sale of Airco's lossmaking ferroalloys business and on the performance of the dollar

Saudis halt forces leave over Yemeni border row

BY RICHARD JOHNS IN RIYADH

SAUDI ARABIA yesterday cancelled all leave for the 60,000 members of its armed forces, in response to the Yemini border conflict.

The announcement, in the name of Prince Sultan, Minister of Defence and Civil Aviation, shows the Saudi Government's apprehension at the threat to the region's stability, particularly that of President Ali Abdullah Saleh's moderate regime in North Yemen.

The Kingdom has also told Lebanon that it may recall its 1,200-strong contingent in the Arab deterrent force in the Lebanon.

All 22 members of the Arab League agreed yesterday to meet in Kuwait to discuss the crisis next Sunday.

Quoting reports from Sanaa, capital of the North Yemen, Mr. Mahmoud Raid, League secretary general and president at a meeting of the Arab Economic Uniti Council here—said the siuation was "improving." Marxist forces, backed by tanks and aircraft, crossed the border to capture several North Yemeni positions at the weekend.

Mr. Mohammed Hizam Al Shohaty, North Yemeni Minister of the Economy, who was in touch with his Government earlier yesterday said: "Fighting continues, and we are recapturing some of the posts taken by the South Yemen forces. The whole country is rallying around the Government and is determined to repel the invaders."

Saudi Arabia's decision to cancel armed forces leave reflects the Government's nervousness about further Communist expansion in the region isolating the conservative Arab oil producers of the Gulf. The Marxist regime in Aden, a client state of Moscow, is now believed to be helped by 7,500 Cuban and 2,500 East German "advisers."

Disillusioned by U.S. failure to save the Shah of Iran, the Saudi Government has been reassured by Washington's move to speed up arms deliveries—paid for by the kingdom — to North Yemen. Cancelling leave shows the kingdom is becoming more active. It has previously kept a low profile in inter-Arab disputes.

But it seems inconceivable that Saudi Arabia might intervene militarily in the dispute, although the kingdom feels it must make a show of strength.

Last summer Arab League members decided to freeze relations with South Yemen after the North Yemen president was killed by a bomb in an attache case carried by an Aden envoy. In November at a conference of states opposed to Egypt's bilateral negotiations with Israel, a secret decision was made to restore links and Saudi Arabia began again recently to give aid to South Yemen.

Other Middle East news, Page 3; Editorial Comment, Page 22

Weather

UK TODAY

COLD, showery and windy with gales on exposed coasts in N.W. Max. 4C (39F).

London, S. England, E. Anglia, Midlands, E. England, N. England, Border, S.E. Sotland, Moray Firth

Sunny spells and isolated showers.

Channel Isles, S.W. England, Wales

Wintry showers and sunny intervals.

Lake District, Isle of Man, S.W. Scotland, Highlands, Islands, N. Ireland

Wintry showers and local thunder, some bright intervals.

● **Outlook:** Cloudy with occasional rain, becoming cooler. Sunny spells and showers in Scotland and N. Ireland.

Forecast for March: Northerly winds will keep temperatures mostly below average. It will be unsettled and wet in the north-east of Britain and relatively settled and dry in the south-west.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	5	41	Locarno	S	5	41
Algiers	C	13	55	London	R	3	37
Amsdm.	F	6	43	Luxmbg.	S	4	39
Athens	S	11	52	Luxor	S	25	77
Bahrain	S	29	84	Madrid	C	4	39
Barclna.	C	12	54	Majorca	C	13	55
Beirut	S	16	51	Malaga	F	14	57
Belfast	S	2	36	Malta	C	12	54
Belgrd.	S	6	43	M'chstr.	C	4	39
Berlin	S	4	39	Melbne.	S	19	66
Biarritz	F	8	46	Mex. C.	S	20	68
Bmghm.	C	4	39	Milan	C	2	36
Blackp'l	S	5	41	M'ntreal	S	2	36
Bordx.	C	9	48	Moscow	C	2	36
Boulgn.	R	4	39	Munich	S	1	34
Bristol	S	6	43	Nairobi	R	21	70
Brussels	F	8	46	Naples	F	8	46
Budpst.	C	1	34	Nwcstl.	C	3	37
B. Aires	S	22	72	N. York	S	7	47
Cairo	S	21	70	Nice	S	10	50
Cardiff	S	5	41	Nicosia	S	17	63
Cas'b'ca	F	16	61	Oporto	C	11	52
Cape T.	R	18	65	Oslo	C	1	34
Chicago	C	—1	30	Paris	C	7	45
Cologne	S	6	43	Perth	S	29	84
Cpnhgn.	S	1	34	Prague	S	1	34
Corfu	R	9	48	Reykjvk.	S	—8	18
Dublin	F	5	41	Rhodes	C	14	57
Dbrvnk.	F	8	46	Rio J'o	S	30	86
Ednbgh.	F	5	41	Rome	S	7	45
Faro	R	12	54	Salzb'rg	S	2	36
Florence	C	5	41	Singapr.	S	29	84
Frankf't	S	5	41	Stckhm.	C	3	37
Funchal	C	15	59	Strasb'g	S	4	39
Geneva	S	5	41	Sydney	C	22	72
Gibrltr.	F	13	55	Tangier	C	12	54
Glasgow	F	6	43	Tehran	S	14	58
G'msey	F	6	43	Tel Aviv	S	18	64
Helsinki	C	—2	28	Tenerife	F	14	57
H. Kong	C	15	59	Tokyo	C	10	51
Innsbrk.	S	3	37	Toronto	S	2	36
Invrnss.	S	5	41	Tunis	F	12	54
I.o.Man	S	4	39	Valencia	F	13	55
Istanbul	F	11	52	Venice	S	3	37
Jersey	C	6	43	Vienna	Sn	—1	30
Jo'burg	S	25	78	Warsaw	S	1	34
L. Pims.	F	19	66	Zurich	S	2	36
Lisbon	C	11	52				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

TGWU

much support the planned one-day ambulancemen's strike from midnight will receive.

Mr. David Williams, the Confederation's assistant general secretary, said yesterday that an approach to the Prime Minister may be made on behalf of nurses pay following deadlock in negotiations earlier this week.

The TUC general council yesterday confirmed its support for an independent standing commission to report by August 1 on the pay of manual workers in local authorities, hospitals and the ambulance service, and the universities.

But at the urging of the teachers' unions, who do not want to use the commission, the TUC said that any other groups would use it only if they wanted to, and that the commission would not supplant existing negotiating machinery.

The commission may have around 10 members, including representatives of the TUC, the CBI and some academics. The

Also yesterday the TUC's new public services committee reviewed 34 public service pay groups who might use the commission, including the police, servicemen, doctors, firemen and nurses.

Carter will limit Middle East peace mediation, Dayan says

BY DAVID LENNON IN TEL AVIV

PRESIDENT CARTER will devote only another 10 days to the Middle East question and if a settlement is not reached by then the U.S. will decide on a new regional policy, according to Mr. Moshe Dayan, the Israeli Foreign Minister.

Reporting to the Knesset Foreign Affairs and Defence Committee on his talks in Washington, Mr. Dayan said that President Carter had also told him that time was not working in Israel's favour and that negotiations with Egypt should be concluded with all speed.

Mr. Dayan believes that the Americans will decide on a new approach in the Middle East, with or without Israel. He also felt that the U.S. was now ready to intervene militarily at any spot if it considered this necessary.

The Israeli Foreign Minister told the Knesset members that in the Arab world, the word "peace" now had a much more negative connotation than during the days of President Sadat's visit to Jerusalem in November 1977. He doubted whether the Egyptian leader would have made the journey now.

Israel Radio quoted Mr. Dayan as saying that the only achievement of the Camp David talks last week with Mr. Mustafa Khalil, the Egyptian Prime Minister, was a new formula on Article Four of the proposed treaty.

This permits either side to demand a review of the security arrangements in Sinai at any time after the agreement is implemented. The changes would be made within three months if both sides agreed to them. Mr. Dayan said the Cabinet yesterday approved this formulation.

In any event, Egypt demanded that the five year transition period for the autonomy regime start with its introduction in the Gaza Strip. The final status of the West Bank and Gaza Strip would be determined at the end of that.

Egypt suggested removing from the proposed treaty the contentious clause which referred to the primacy of the treaty with Israel over Egypt's defence pacts with other Arab States.

According to Mr. Dayan, Egypt had dropped the proposal for an exchange of ambassadors between the two countries. Instead Mr. Khalil proposed that consular relations be established one month after elections were held to the Autonomy Council in Gaza.

Jurek Martin writes from Washington: President Carter's frustration with the inability of Israel and Egypt to conclude a peace agreement was further underlined on Tuesday night when he referred to the differences separating the two sides as "absolutely insignificant."

In a speech at a White House banquet for the nation's governors, he said: "It is just disgusting almost to feel that we are that close and can't quite get it . . . . absolutely insignificant differences are now creating insurmountable obstacles."

Continued from Page 1

Gilts market

at 12.30 pm today seems finely balanced.

Up till now, the authorities have appeared to be in no hurry to alter MLR and to wait at least until the banking figures for mid-January are available internally next week. But a cut of perhaps a point in MLR has been made more likely by the recent fall in Treasury bill rates. These are now down to a level where MLR of 12½ to 12¾ per cent is indicated on the old market related formula.

Sterling enjoyed a quiter day with an unchanged trade-weighted index of 64.3, after 64.4 in the morning. The high against the dollar was $2.0285 before a close of $2.0235 for a rise of 10 points on the day.

John Evans adds: The Eurosterling bond for Finance for Industry has been increased in size to £15m from £10m, after being substantially oversubscribed, according to lead manager S. G. Warburg.

The 12-year 13 per cent bond, the first Eurosterling offering since last April, has been subject to heavy demand from foreign investors.

U.S. trade deficit $3bn

BY DAVID BUCHAN IN WASHINGTON

THE U.S. trade deficit last month widened to $3bn compared with $1.75bn in December, the U.S. Commerce Department reported yesterday.

The significance of this large jump in the trade gap is somewhat clouded by the Department's introduction of a new means of seasonally adjusting its monthly trade tally. Under the old system the January 1979 deficit would have been reported as $1.86bn, with the equivalent December trade gap $2.04bn.

But the method of adjusting the trade figures to reflect seasonal variations such as weather is unlikely to change the broad picture. The Department said the overall trade deficit for 1978 was identical under both systems—$28.4bn.

Costlier oil imports were a big factor in the increased January trade shortfall, rising to nearly $4bn for the month. Food imports were a smaller factor.

Though steel imports dropped for the second successive month, partly because of the increase in minimum trigger-price system designed to keep out cheap imports, the U.S. increased the amount of manufactured goods bought from abroad.

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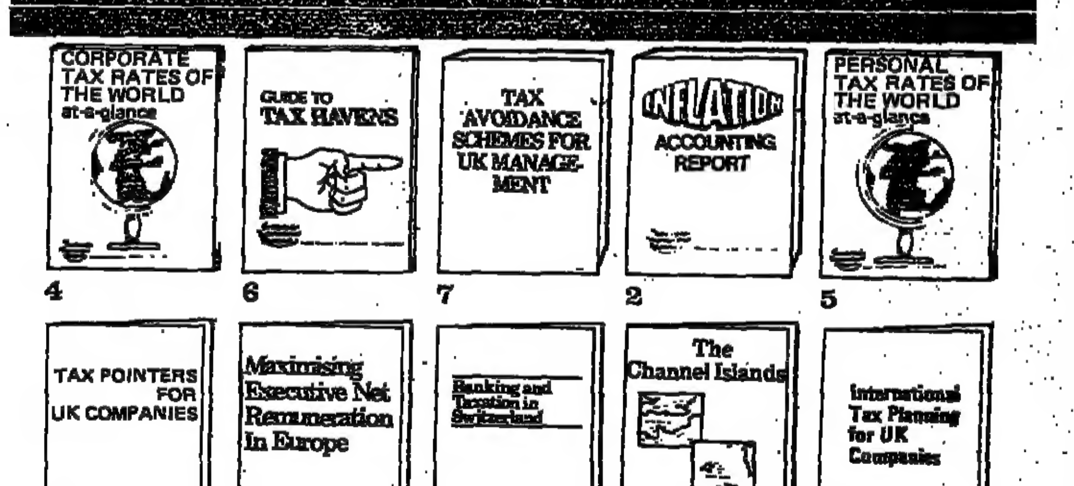

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